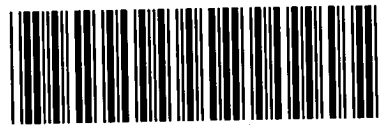


hotelbeds

HNVR HOLDCO LIMITED

Reports and financial statements
Year ended 30 September 2019
Company number: 10221476

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STRATEGIC REPORT

The Strategic Report has been prepared solely to provide information to the shareholders to assess how the Directors have performed their duty to promote the success of the company. Where the report contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the date of approval of this report. Any such statements should be treated with caution due to the inherent uncertainties underlying any forward-looking information.

The Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to HNVR Holdco Limited (the "Company") and its subsidiaries when viewed as a whole.

Business model and strategy

Hotelbeds is the world's leading bedbank with a market share of around 15%.¹

In a fragmented and complex travel industry, Hotelbeds provides over 180,000 hotels across the globe with access to high-value, complementary distribution channels that significantly increase occupancy rates and optimise revenue per available room whilst not competing with the hotelier's direct distribution strategy.

The company does this through two principal sales channels, its Hotelbeds brand that focuses on wholesale distribution and its Bedsonline brand, that focuses on retail travel agency distribution. Together the two brands offer hoteliers access to a network of over 60,000 hard-to-access travel buyers such as tour operators, retail travel agents, airline websites, and loyalty schemes in over 140 source markets worldwide.

The principal source markets for the company are the UK, USA, Spain and China; whilst Spain, the USA, Mexico and Thailand are amongst the most popular destinations.

Hotelbeds is also the world's largest B2B seller of travel ancillaries. The company offers 24,000 transfer routes and 18,000 activities, as well as attractions, event tickets and car hire. Operating under the 'Beyond the Bed' product line, it provides both hoteliers and travel distribution partners with an efficient platform and powerful tools to easily integrate and commercialise its leading portfolio of high-margin products.

In addition Hotelbeds also operates several smaller brands providing travel distribution services. These include:

- Roiback, an independent company that works with hotels to help boost sales in the direct channel by providing technology and operations support;
- Isango, a B2C website that sells in-destination experiences directly to consumers in over 300 cities around the world;
- Hotelopia, an online travel agency that sells hotel accommodation and whose technology is white-labelled to B2C websites looking to cross-sell accommodation to customers;
- Carnect, a B2B distributor of car rental solutions with over 500 car rental companies providing cars in 30,000 locations globally; and
- HolidayTaxis, a UK based distributor of in-destination transfer and taxi solutions in over 21,000 destinations in over 150 countries around the world.

¹ The Directors estimate that approximately 9% of annual hotel room night sales are made through bedbanks.

Development of the business

In September 2016 the Group acquired Hotelbeds from TUI AG with the backing of Cinven and the Canada Pension Plan Investment Board. This was followed by the acquisitions of the Company's two biggest bedbank competitors, Tourico Holidays and GTA, in June and October 2017 respectively.

These two acquisitions complemented the Hotelbeds existing business by offering an expanded footprint in the important North America, Middle East and Asia-Pacific markets. The total consideration for the three acquisitions was €2.1 billion, partly funded by a syndicated bank loan of €1 billion.

In late 2018 Hotelbeds announced the consolidation of its brand portfolio, with Tourico Holidays and GTA rebranding under the Hotelbeds and Bedsonline brands. More recently, in November 2019, Hotelbeds announced that the integration had been completed and that the whole company was now working with one brand strategy, technology, operations and sales platform.

On 18 January 2019, Hotelbeds completed the acquisition of HolidayTaxis for a total consideration of €69m. Holiday Taxis was founded in 2002, with the aim of providing simple and cost-effective transfer solutions for customers and travel partners globally. The HolidayTaxis brand remains separate from Hotelbeds and is part of the Beyond the Bed portfolio.

Financial review

These financial statements cover the year from 1 October 2018 to 30 September 2019.

Non-GAAP Performance Measures (EBITDA and TTV)

The Board considers that these measures provide additional useful information for the shareholders on the underlying performance of the business. The measures are consistent with how the business performance is monitored internally. EBITDA may not be directly comparable with "adjusted" profit measures used by other companies.

TTV corresponds to total transaction value excluding VAT. EBITDA represents operating profit and loss adjusted to exclude exceptional items, amortisation and depreciation (including impairments) and other items which do not reflect the underlying trading performance of the Group.

Key Performance Indicators

The Directors consider the following items to be the key performance indicators for Hotelbeds.

| | Unaudited
Year ended 30
September 2019 | Unaudited
Year ended 30
September 2018 | Change % |
|---|--|--|----------|
| Income statement | | | |
| Total transaction value ¹ (€m) | 5,971 | 6,449 | -7.4% |
| Room nights (millions) | 44.4 | 49.9 | -11.0% |
| Gross profit (%) | 9.2% | 8.7% | +0.5ppt |
| EBITDA ² (€m) | 239 | 202 | +18.3% |
| EBITDA conversion (%) ³ | 43.3% | 36.0% | +7.2ppt |

¹ Total transaction value (TTV) represents the amount charged to customers, excluding sales taxes such as VAT and GST.

² EBITDA represents operating profit or loss adjusted to exclude exceptional items, amortisation and depreciation and other items, principally double running costs.

³ EBITDA conversion is calculated as EBITDA divided by gross profit.

2019 was a very intensive and challenging year, in which the integration has been completed, a major milestone in the strategic development of Hotelbeds. It allows the offering of the best global hotel and ancillary products to its customers, through one single team and one IT platform, increasing simplicity and making the company scalable to accommodate future growth.

The integration took longer than expected and has caused some temporary operational disruption, which was the key driver of the 7.4% year-on-year decline in total transaction value. Despite this, profitability increased during the year, with EBITDA increasing by 18.3%. Note that early adoption of IFRS 16 (see Note 2: Significant accounting policies) has had a beneficial impact on EBITDA in the current financial year of €13m. Gross profit percentage increased from 8.7% to 9.2%, and gross profit to EBITDA also improved by a 6.9 percentage points up to 42.9%.

EBITDA reconciles with operating profit as follows:

| | Year ended
30 September 2019 | Year ended
30 September 2018 |
|---|---------------------------------|---------------------------------|
| | €m | €m |
| EBITDA as a KPI | 239 | 202 |
| Depreciation, impairment and amortisation | (122) | (95) |
| Exceptional items | (55) | (49) |
| Double running costs | (17) | - |
| Parent company charges | 8 | 23 |
| Other items | (4) | (4) |
| Statutory operating profit | 49 | 77 |

The integration of Tourico and GTA has enabled Hotelbeds to deliver synergies by moving business activity onto a single IT platform and reducing headcount as duplicated systems and processes are closed.

Delivery of synergies is a complex process that can take a significant period of time. Costs incurred from the point that Hotelbeds has committed to delivery of the synergy are treated as double running costs and excluded from EBITDA on the following bases:

- Closure of systems and processes – the plan has been formulated and approved, and a realistic closure date can be estimated;
- Headcount reductions – the plan, including exit dates, has been formally communicated to the employees affected.

| | As at 30
September 2019 | As at 30
September 2018 | Variance |
|--|----------------------------|----------------------------|----------|
| Balance sheet | | | |
| Bank loan net of cash and cash equivalents ⁴ (€m) | 911 | 387 | +€524m |

⁴ Bank loan is stated before deduction of €34m unamortised issue costs (30 September 2018 €36m).

The bank loan increased during the year by €400m to part-fund repayment of €494m of the dividends to the Parent company and is repayable in two instalments in September 2023 (€1,008m) and September 2025 (€400m). The remaining repayment was funded from cash generated from operations.

At 30 September 2019, Hotelbeds held cash and cash equivalents of €497m and had €247m (a total of €744m) available to draw down under the Revolving Credit Facility which matures in September 2022.

Income Statement

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|---|---------------------------------------|---------------------------------------|
| Revenue | 819 | 846 |
| Gross profit | 552 | 561 |
| Net overheads | (324) | (340) |
| Depreciation, impairment and amortisation | (122) | (95) |
| Loss on disposal of assets | (2) | - |
| Profit before exceptional items | 104 | 126 |
| Exceptional items | (55) | (49) |
| Operating profit | 49 | 77 |
| Bank loan interest and other net financial charges | (72) | (63) |
| (Loss) / profit before taxation | (23) | 14 |
| Taxation | (12) | 26 |
| (Loss) / profit for the year from continuing operations | (35) | 40 |
| (Loss) / Profit for the financial period from discontinued operations | (1) | 27 |
| (Loss) / profit for the year | (36) | 67 |

Hotelbeds underlying business is profitable, demonstrated by delivery of EBITDA of €239m. The company also consistently generates strong cash flow from the operations, as shown in the cash flow statement on page 23.

The Income Statement presents a loss of the year of €36m. These losses are expected, and are driven by:

- Acquisition and integration costs of €55m which are one-off in nature and disclosed as exceptional items.
- Depreciation, impairment and amortisation of €122m which is a non-cash item and is mainly due to the amortisation of intangible assets recognised on acquisitions.

Revenue of €819m represents 13.7% of total transaction value which is broadly comparable with 13.1% in the prior year. In most cases Hotelbeds acts as an agent and does not assume the risks and rewards of ownership of the room nights bought on behalf of customers.

Net overheads decreased by 4.7% to €324m mainly driven by integration cost synergies. The increase in depreciation and amortisation is mainly driven by accelerated amortisation of the legacy IT systems.

Exceptional items comprise:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Integration and restructuring costs | 52 | 52 |
| Other | 3 | (3) |
| | 55 | 49 |

The Group has integrated the Tourico Holidays and GTA businesses onto the Hotelbeds IT platform. The cost of this programme is disclosed as integration and restructuring costs within exceptional items. The

integration programme is now complete with the exception of decommissioning of legacy IT systems, which is expected to happen during the coming financial year.

Bank loan interest is calculated using the effective rate method and includes €8m (2018: €7m) amortisation of issue costs.

The current year tax charge includes a cost of €27m arising from reorganisations within the group related to the integration of the Hotelbeds, GTA and Tourico businesses. The prior year tax credit of €26m mainly relates to an adjustment to the deferred tax liability in the United States as a result of the enactment of the Tax Cuts and Jobs Act of 2017.

The loss from discontinued operations relates to the disposal of the Destination Management business to TUI AG, which is now complete.

Balance Sheet

Hotelbeds summary balance sheet at 30 September 2019 and 2018 are as follows:

| | As at 30 September
2019
€m | As at 30 September
2018
€m |
|--|----------------------------------|----------------------------------|
| Non-current assets | | |
| Goodwill and other intangible assets | 2,409 | 2,356 |
| Other non-current assets | 88 | 39 |
| | 2,497 | 2,395 |
| Current assets and liabilities | | |
| Trade and other receivables | 923 | 814 |
| Cash and cash equivalents | 497 | 621 |
| Trade and other payables | (1,500) | (1,369) |
| Other current assets and liabilities, net | (123) | (92) |
| Net current liabilities | (203) | (26) |
| Non-current liabilities | | |
| Interest-bearing loans and lease liabilities | (1,387) | (972) |
| Deferred tax liabilities | (140) | (142) |
| Other non-current liabilities | (52) | (39) |
| | (1,579) | (1,153) |
| Net assets | 715 | 1,216 |

Goodwill and other intangible assets principally arose on the initial acquisition of Hotelbeds (€1,293m), Tourico Holidays (€524m), GTA (€698m) and, in January 2019, Holiday Taxis (€43m).

Trade and other receivables mainly relate to amounts due from customers and deposit payments made to accommodation providers.

Trade and other payables mainly relate to amounts due to accommodation providers.

Deferred tax liabilities mainly arose on the acquisitions of Hotelbeds (€95m), Tourico (€54m), GTA (€43m) and Holiday Taxis (€5m) driven by the recognition of customer relationships and software as separable intangible assets.

Cash Flow Statement

| | Year ended
30 September 2019 | Year ended
30 September 2018 |
|--|---------------------------------|---------------------------------|
| | €m | €m |
| Net cash inflow from operating activities | | |
| Operating profit * | 46 | 76 |
| Depreciation, impairment and amortisation | 122 | 102 |
| Loss on disposal of assets | 2 | - |
| Other non-cash items | (10) | 11 |
| Change in working capital | (28) | 54 |
| Interest and taxation paid | (61) | (64) |
| | 71 | 179 |
| Net cash outflow from investing activities | | |
| Acquisition of subsidiaries net of cash acquired | (64) | (280) |
| Disposal of businesses | 10 | 48 |
| Purchase of intangible assets | (53) | (43) |
| Other | (3) | (4) |
| | (110) | (279) |
| Net cash (outflow) / inflow from financing activities | | |
| Proceeds from bank borrowings | 394 | 314 |
| Dividends paid to equity holders of the parent | (494) | - |
| Other | (5) | (12) |
| | (105) | 302 |
| Foreign exchange differences | 3 | - |
| (Decrease)/Increase in cash and cash equivalents | (141) | 202 |

*Including the operating profit of the discontinued Destination Management business.

Hotelbeds reported a loss before taxation for the year ended 30 September 2019 of €23m (2018: profit before taxation of €14m), but an operating cash inflow of €71m (2018: €179m), driven by:

- Depreciation, impairment and amortisation of €122m (2018: €102m).

Net cash outflow from investing activities was €110m (2018: €279m), driven by:

- The acquisitions of Holiday Taxis in January 2019 and GTA in October 2017,
- Net cash inflows from the sale of the Destination Management business to TUI AG, and
- Purchase of intangible assets to enhance the Hotelbeds IT platform.

Net cash flow from financing activities was an outflow of €105m (2018: inflow of €302m), driven by:

- In the current year, draw down of a €400m bank loan which was used to part-fund the payment of €494m dividend to the Parent company, and
- In the prior year, draw down of a €325m bank loan which was used to part-fund the acquisition of GTA.

At 30 September 2019 Hotelbeds had cash and cash equivalents of €497m and complied with the covenant requirements of the Senior Facilities Agreement.

Principal risks and uncertainties

The principal risks and uncertainties which are common to the Group, the Company and the tourism industry are:

Destination disruption. Travel industry providers and intermediaries are exposed to the inherent risk of incidents in destination countries. Incidents can include natural catastrophes, outbreaks of disease or geopolitical instability. Hotelbeds distributes accommodation, transfers and activities in over 180 countries, enabling it to offset downturns in some destinations with strong performances in others.

Consumer demand. Spending on travel and tourism is discretionary and price sensitive. Different countries are at different stages in the economic cycle. In cases of recession or slowdown of general economic activity, consumers cut back on travel spend and wait longer to book their trips. Changes in consumer demand may impact the Group's short-term growth rates and margin expectations. Hotelbeds has customers in 140 source markets worldwide, which enables it to mitigate this risk to an extent.

Consumer preferences. New market participants operating new business models emerge and consumer tastes and preferences change. Consumers book their holidays via mobile devices and closer to the time of travel. There is a risk that if the Group does not respond adequately to business model disruptions or if the Group's products and services fail to meet changing customer demands and preferences, that revenue, market share and profitability could suffer as a result.

Brexit. The UK's referendum decision to leave the EU has increased uncertainty. The influence of a Brexit on consumer demand patterns and interest and foreign exchange rates could impact the reported performance and results of the Group. The Group continues to monitor the Brexit negotiations and the impact on key sector regulations.

Compliance. The Group operates on a global scale with customers and suppliers in many jurisdictions, each with their own specific legal, tax and labour regulations. The Group has established a system of internal control and compliance that includes policies and procedures, training, an anonymous reporting line and ongoing monitoring activities, all supporting the Group in ensuring compliance with legal and regulatory requirements.

Cyber security and data protection. The Group's responsibility is to protect the confidentiality, integrity and availability of customer, supplier and employee data processed as part of its operations. The Group business is highly dependent on online transactions, increasing exposure and susceptibility to cyber-attacks. The Group's objective is to ensure appropriate levels of security controls are in place, avoiding negative impacts on key stakeholders, associated reputational damage and potential for financial implications. The Group also has insurance coverage against this risk.

Foreign currency risk. The Group operates internationally and is exposed to foreign currency risk on transactions denominated in a currency other than Euros as well as the translation of the balance sheet and income statements of foreign operations into Euros. In managing currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's cash inflows and outflows in a foreign currency. The Group uses forward exchange contracts to hedge its foreign currency risk.

Interest rate risk. The Group is exposed to interest rate risk on interest bearing loans and borrowings and on cash and on cash equivalents. The Group's interest rate risk management has

the objectives of protecting the profit and the cash flow. The Group's Corporate Finance team has been given delegated responsibility by the Board to manage the Group's exposures to interest rate risk and take decisions on appropriate interest rate risk management and hedging measures for all of the Group companies. Only Corporate Finance is authorised to enter into external interest rate hedging and permitted instruments for managing interest rate risk are limited to:

- Interest rate swaps
- Forward rate agreements
- Cross currency swaps

When raising new debt, fixed rate financing is also considered.

Credit risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including bank deposits and cash and cash equivalents) and derivative financial instruments, as well as credit exposures to accounts receivable and prepayments made. The Group is not subject to significant concentration of credit risk, with exposure spread across a large number of counterparties, customers and territories. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Any changes to credit terms are assessed and authorised by senior management on an individual basis. The Group has credit insurance to cover possible risks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Liquidity risk. Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. The liquidity position of the Group is significantly influenced by the booking and payment pattern of customers. As a result, liquidity is at its lowest in the winter months and at its highest in the summer months. The Group manages liquidity risk through regular cash flow forecasting and monitoring of cash flows, management review and regular reviews of working capital and costs.

This report was approved on behalf of the Board and signed on behalf of the Board on 30 January 2020.



Simon Nicholson
Director



Richard Wheatley
Director

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements for the year ended 30 September 2019.

Directors

The Directors who served during the year and / or up to the date of approval of these financial statements are:

- H Lalani
- R S Wheatley
- C J Good (appointed 1 June 2016, resigned 13 March 2019)
- D J Anniss (appointed 10 January 2017, resigned 15 November 2019)
- P A C Catterall (appointed 13 March 2019)
- S J Nicholson (appointed 15 November 2019)

Independent auditors

Our auditors, PricewaterhouseCoopers LLP, were appointed on 24 February 2017. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and therefore continue in office.

Directors' insurance

Throughout the financial year and up to the date of signing these financial statements, the Group maintained Directors' and Officers' liability insurance policies on behalf of the Directors of the Group and the Company. These policies met the Companies Act 2006 definition of a qualifying third-party indemnity provision.

Business review

A fair review of the business, including an analysis of the development, performance and financial position of the Group and a description of the principal risks and uncertainties facing the Group, has been included within the Strategic Report.

Financial

The Group has access to sources of capital that are sufficient to develop the business. Its funds are provided by a syndicate of leading banks and include a credit facility line. These arrangements and the recurring nature of much of the business give confidence over the Group's financial strength and provide the basis on which future investment decisions can be taken. The Board continually reviews the performance of the business and regularly reviews its divestment or investment strategies.

Going concern

At 30 September 2019, the Group had net assets of €715m and net current liabilities of €203m. The Directors have therefore considered the funding and liquidity position of the Group. The main sources of debt funding included €1,408m bank syndicated facilities which matures in 2023 for the term loan B (€1,008m) and 2025 for the term loan C (€400m) and other credit facilities and bank overdrafts for an amount of €3m. During the financial year, the profit before exceptional items was €104m, which included amortisation and depreciation expenses of €122m, and operating cash inflow was €71m.

The Directors have assessed the Group's cashflow forecasts and are satisfied that the Group has adequate resources to continue operations for the foreseeable future. At 30 September 2019 the Group continues to hold significant cash and liquid funds to mitigate the impact of potential business disruption events as well as an undrawn €247.5m revolving credit facility (see note 18) and undrawn committed credit facilities of €17m.

Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

The Directors consider the future outlook of the Group to be satisfactory.

Dividend policy

A dividend of €494m was declared during the year under review (2018: €nil). The Directors do not recommend the payment of a final dividend (2018: €nil).

Health and safety

The Group has an established health and safety policy that focuses on the ability to measure performance and to pursue continuous improvement in managing health and safety. The policy is reviewed regularly by the Health and Safety Quality Audit team.

The environment

Hotelbeds is committed to monitor and reduce the environmental impact of its activity, with an emphasis on reducing business travel and the consumption of water, waste, paper and energy in its offices.

Environmental performance is monitored in the Hotelbeds largest offices by collecting data on energy consumption, business travel, water and paper consumption and waste management. This data is consolidated into a sustainability tracking system that allows Hotelbeds to calculate and monitor its overall carbon emissions.

Efficiency initiatives, a new environmental policy including a commitment to tackle and set annual emissions reduction targets and employee awareness campaigns have all been implemented to further reduce the Hotelbeds environmental impact.

An example of how Hotelbeds puts its environmental commitments into practice is the accreditation for a second consecutive year as a Carbon Neutral Organisation. Hotelbeds has worked with Carbon Footprint Ltd, an independent body that accredits carbon management measurements and best practices for businesses, to offset its carbon emissions by funding carbon offsetting projects. This year Hotelbeds has supported the Renewable Energy Project in India, that manages the installation of solar panels in the country. As business travel is one of Hotelbeds' main emission factors, it has created an internal self-

funded programme whereby a surcharge is added to each business flight taken by a Hotelbeds employee. This is intended to encourage travel reduction and increase company and employee awareness.

Animal welfare

Hotelbeds strives to promote sustainable best endeavours using the most humane animal treatment practices, which it believes will deliver greater business success by aligning closer to clients' expectations. Hotelbeds works with suppliers to ensure compliance with relevant national and international legislation and best practice.

Employees and social responsibility

Hotelbeds is committed to provide human, in-kind and/or financial support to the local communities where it is present, optimizing its social and economic impacts through our team and our network of partners. The aim is to generate prosperity and sustainable development in the communities in which we are present.

One of the company's main contributions and an example of Hotelbeds' social commitment is the launch of the Corporate Volunteering Programme to promote volunteering opportunities to our workforce. The aim is to encourage employees to get involved in individual causes while increasing our social impact and attending to social needs in the local communities in which we operate.

This Programme was launched in 13 different destinations in America, Asia and Europe last year.

Under the Corporate Volunteering Programme, more than 2,000 employees have collaborated with numerous non-profit organizations around the world, spending around 6,000 hours on social and environmental causes.

Our main areas of interest are driving children's rights and wellbeing, contributing to employability and access to education for young people at risk of social exclusion, and to raise awareness and take part in activities for environmental protection.

Several global charity initiatives have also been launched this year in support of charitable organizations that align with our community engagement commitment.

Hotelbeds has commenced a transformation programme with the aim of driving employees towards a high-performance culture. Efficiency at work, group behaviours, performance management, talent development and employee value propositions are the main pillars of the programme. Hotelbeds recently launched the People Pledge based on four basic pillars with the motto 'Move Fast. Dream Big. Make the Difference', that boosts strengths and aspirations to become the company of choice for our workers.

Hotelbeds aims to ensure equal treatment and non-discrimination, encouraging equal opportunities for all employees in relation to gender, race or religion and promoting measures to ensure employees' professional and personal development, rejecting all types of discrimination and boosting internal equality. As part of this, Hotelbeds has an area in Human Resources (called 'Reward') that ensures that all employees receive fair and competitive remuneration.

Applications for the employment of disabled people are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with Hotelbeds continues and the appropriate training is arranged.

Supplier and customer relationships

Hotelbeds seeks to understand and deliver the expectations of its suppliers and customers, as this is in our mutual interest.

We have a Supplier Code of Conduct that establishes the values and principles required of our suppliers to drive the development of ethical and environmentally sustainable business practices. We also encourage our suppliers and customers to be part of our commitment to sustainability and responsible business conduct, sharing good practices and working together.

We inform our suppliers and customers of the measures we have implemented to respect and uphold human rights, and we expect them to do the same.

We also take measures both internally and with our trade partners, suppliers and customers to fight against "modern slavery". Our Modern Slavery and Human Trafficking Statement is available online at corporate.hotelbeds.com.

Compliance

As a global company, Hotelbeds must comply with national and international legislation. Hotelbeds is committed to carrying out business fairly, openly and honestly with no tolerance of breaches of laws and regulations for example on bribery and corruption, trade sanctions, data protection legislation or competitive behaviours.

The Hotelbeds Compliance Program is designed to ensure that the actions of both employees and third parties comply with regulatory requirements.

The Code of Conduct is the foundational document of the Hotelbeds Compliance Program and all employees must uphold the standards set out in the Code and behave correctly and ethically. All the employees sign regular undertakings to comply with the Code of Conduct. Hotelbeds takes its Code of Conduct seriously and any breach of it or any applicable law or regulation can result in disciplinary action for the employees involved.

During the year, Hotelbeds has provided Compliance Training and communication, including on-site training, e-Learning via the Hotelbeds learning management platform and a structured onboarding process for new employees, including a number of elements of the Compliance Programme. This included general compliance training on the Code of Conduct and ethical behaviour, and more detailed training for specific employee groups on topics such as Competition Law, Trade Sanctions and Anti-Bribery and Anti-Corruption.

The Compliance and Legal functions perform an ongoing Compliance Risk Assessment to ensure that compliance risks are identified early and risk mitigating activities are implemented and monitored accordingly.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Reports and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial

Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable IFRSs as adopted by the European Union have been followed for both the Group and Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Significant events since the year end

There have been no significant events after the financial year end which affect or may affect the financial statements.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company auditors are unaware and each Director has taken the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approval

This report was approved on behalf of the Board and signed on behalf of the Board on 30 January 2020.



Simon Nicholson
Director



Richard Wheatley
Director

Company number: 10221476

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HNVR HOLDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, HNVR Holdco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2019 and of the group's loss and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and financial statements (the "Annual Report"), which comprise: the consolidated and Company balance sheets as at 30 September 2019; the consolidated income statement and consolidated statement of comprehensive income, the consolidated and Company statements of cash flows, and the consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on pages 14 and 15, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

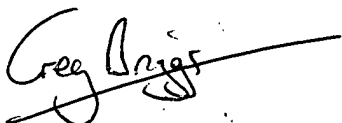
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Gregory Briggs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

30 January 2020

CONSOLIDATED INCOME STATEMENT

| | Note | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--|--------|---------------------------------------|---------------------------------------|
| Revenue* | 6 | 819 | 846 |
| Cost of sales* | | (255) | (267) |
| Net impairment losses on trade receivables | | (12) | (18) |
| Gross profit | | 552 | 561 |
| Selling and administrative expenses | | (324) | (340) |
| Depreciation and amortisation | 12, 13 | (122) | (95) |
| Loss on disposal of assets | | (2) | - |
| Exceptional items | 9 | (55) | (49) |
| Total operating expenses | | (503) | (484) |
| Operating profit | | 49 | 77 |
|
Bank loan interest and other finance costs | 10 |
(72) |
(63) |
| (Loss) / profit on ordinary activities before taxation | | (23) | 14 |
| Taxation | 11 | (12) | 26 |
| (Loss) / profit for the financial year from continuing operations | | (35) | 40 |
| (Loss) / Profit for the financial period from discontinued operations | 5 | (1) | 27 |
| (Loss) / profit for the financial year | | (36) | 67 |
| Attributable to: | | | |
| Equity holders of the parent | | (36) | 65 |
| Non-controlling interests | | - | 2 |
| | | (36) | 67 |

* Details of reclassifications have been provided in note 6.

The notes on pages 24 to 64 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--|---------------------------------------|---------------------------------------|
| (Loss) / profit for the financial year | (36) | 67 |
| Other comprehensive income / (expense): | | |
| <i>Items that may be reclassified to profit or loss:</i> | | |
| Currency translation differences | 31 | 12 |
| Net (losses) / profit on hedges | (1) | 2 |
| Related taxation | (3) | - |
| Total items that may be reclassified to profit or loss | 27 | 14 |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| Remeasurement of pension provisions | (2) | - |
| Total items that will not be reclassified to profit or loss | (2) | - |
| Total comprehensive (expense) / income for the year | (11) | 81 |
| Attributable to: | | |
| Equity holders of the parent | (11) | 79 |
| Non-controlling interests | - | 2 |
| | (11) | 81 |

The notes on pages 24 to 64 are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

| | | As at 30 September 2019 | As at 30 September 2018 |
|---|------|-------------------------|-------------------------|
| | Note | €m | €m |
| Non-current assets | | | |
| Goodwill | 12 | 1,540 | 1,481 |
| Other intangible assets | 12 | 869 | 875 |
| Property, plant and equipment | 13 | 35 | 15 |
| Deferred tax assets | 11 | 7 | 4 |
| Trade receivables and other assets | 14 | 46 | 20 |
| Total non-current assets | | 2,497 | 2,395 |
| Current assets | | | |
| Trade receivables and other assets | 14 | 923 | 814 |
| Income tax recoverable | | 1 | 2 |
| Derivatives | 18 | 2 | 5 |
| Other financial assets | 18 | 4 | 7 |
| Cash and cash equivalents | 15 | 497 | 621 |
| | | 1,427 | 1,449 |
| Assets held for sale | 5 | 1 | 44 |
| Total current assets | | 1,428 | 1,493 |
| Total assets | | 3,925 | 3,888 |
| Current liabilities | | | |
| Trade and other payables | 16 | 1,500 | 1,369 |
| Income tax payable | | 19 | 8 |
| Interest-bearing loans and lease liabilities | 18 | 28 | 11 |
| Derivatives | 18 | 4 | 6 |
| Customer deposits | 18 | 79 | 106 |
| Provisions for liabilities | 17 | 1 | 4 |
| | | 1,631 | 1,504 |
| Liabilities related to assets held for sale | 5 | - | 15 |
| Total current liabilities | | 1,631 | 1,519 |
| Non-current liabilities | | | |
| Interest-bearing loans and lease liabilities | 18 | 1,387 | 972 |
| Customer deposits | 18 | 31 | 27 |
| Deferred tax liabilities | 11 | 140 | 142 |
| Provisions for liabilities | 17 | 21 | 12 |
| Total non-current liabilities | | 1,579 | 1,153 |
| Total liabilities | | 3,210 | 2,672 |
| Net assets | | 715 | 1,216 |
| Equity | | | |
| Called up share capital | 19 | 9 | 9 |
| Share premium account | 19 | - | 1,340 |
| Retained earnings / (Accumulated losses) | | 706 | (109) |
| Hedging reserve | | (2) | (1) |
| Foreign currency translation reserve | | 2 | (26) |
| Equity attributable to owners of parent company | | 715 | 1,213 |
| Non-controlling interest | | - | 3 |
| Total equity | | 715 | 1,216 |

The notes on pages 24 to 64 are an integral part of these financial statements. The financial statements on pages 19 to 64 were approved by the Board of Directors on 30 January 2020 and signed on its behalf by



Simon Nicholson
Director
Company number: 10221476



Richard Wheatley
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Called up
share
capital
€m | Share
premium
account
€m | (Accumulated
losses)/
Retained
earnings
€m | Hedging
reserve
€m | Foreign
currency
translation
reserve
€m | Equity
attributable
to owners of
the parent
€m | Non-
controlling
interests
€m | Total
equity
€m |
|---|-------------------------------------|-----------------------------------|--|--------------------------|---|--|--|-----------------------|
| At 1 October 2017 | 8 | 1,092 | (167) | (3) | (38) | 892 | 14 | 906 |
| Profit for the financial year | - | - | 65 | - | - | 65 | 2 | 67 |
| Other comprehensive income | - | - | - | 2 | 12 | 14 | - | 14 |
| Total comprehensive income | - | - | 65 | 2 | 12 | 79 | 2 | 81 |
| Issue of shares (Note 19) | 1 | 248 | - | - | - | 249 | - | 249 |
| Disposal of business (Note 5) | - | - | - | - | - | - | (9) | (9) |
| Acquisition of non-controlling interest | - | - | (7) | - | - | (7) | (4) | (11) |
| At 30 September 2018 | 9 | 1,340 | (109) | (1) | (26) | 1,213 | 3 | 1,216 |
| Loss for the financial year | - | - | (36) | - | - | (36) | - | (36) |
| Other comprehensive income | - | - | (2) | (1) | 28 | 25 | - | 25 |
| Total comprehensive expense | - | - | (38) | (1) | 28 | (11) | - | (11) |
| Issue of shares (Note 19) | - | 7 | - | - | - | 7 | - | 7 |
| Cancellation of share premium account (Note 19) | - | (1,347) | 1,347 | - | - | - | - | - |
| Dividends (Note 19) | - | - | (494) | - | - | (494) | - | (494) |
| Disposal of business (Note 5) | - | - | - | - | - | - | (3) | (3) |
| At 30 September 2019 | 9 | - | 706 | (2) | 2 | 715 | - | 715 |

The notes on pages 24 to 64 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

| | | Year ended
30 September 2019 | Year ended
30 September 2018 |
|--|------------|---------------------------------|---------------------------------|
| | Note | €m | €m |
| (Loss) / profit on ordinary activities before taxation | | (23) | 14 |
| (Loss) / profit before tax from discontinued operations | | (1) | 30 |
| (Loss) / profit before tax | | (24) | 44 |
| Adjustments for | | | |
| Depreciation and amortisation | 5, 12 & 13 | 122 | 100 |
| Impairment of intangible and tangible assets | 5 | - | 2 |
| Loss on disposal of assets | | 2 | - |
| Impairment of financial assets | 5 | - | 5 |
| Profit on disposal of businesses | 5 | (2) | (32) |
| Share of profits of associates and joint ventures | 5 | - | (1) |
| Net financial expense | 5, 10 & 20 | 72 | 64 |
| Net foreign exchange differences | | (10) | - |
| Other income and expenses | | - | 7 |
| Change in working capital | | | |
| (Increase)/decrease in trade and other receivables | | (122) | 73 |
| Increase in other operating assets | | - | (5) |
| Increase in trade and other payables | | 116 | 6 |
| Decrease in other operating liabilities | | (21) | (20) |
| Movements in provisions | | (1) | - |
| Other items of an operating activities | | | |
| Interest paid | | (48) | (51) |
| Income taxes paid | | (13) | (13) |
| Net cash inflow from operating activities | | 71 | 179 |
| Cash flows from investing activities | | | |
| Payment for acquisition of subsidiaries, net of cash acquired | 4 | (64) | (280) |
| Payments for intangible assets | 12 | (53) | (43) |
| Payments for property, plant and equipment | 13 | (3) | (6) |
| Proceeds from sale of subsidiaries | 5 | 10 | 48 |
| Other assets | | - | 2 |
| Net cash outflow from investing activities | | (110) | (279) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | 18 | 394 | 314 |
| Dividends paid to equity holders of the parent | 20 | (494) | - |
| Payment of lease liabilities | | (13) | - |
| Acquisition of non-controlling interests | | - | (11) |
| Proceeds from / (payments of) credits and bank overdrafts | 18 | 1 | (1) |
| Proceeds from issues of shares | 19 | 7 | - |
| Net cash (outflow) / inflow from financing activities | | (105) | 302 |
| Net foreign exchange difference | | 3 | - |
| Net (decrease) / increase in cash and cash equivalents | | (141) | 202 |
| Cash and cash equivalents at the beginning of the financial year | | 638 | 436 |
| Cash and cash equivalents at end of year | | 497 | 621 |
| Cash and cash equivalents attributable to discontinued operations at end of year | | - | 17 |

The notes on pages 24 to 64 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The consolidated financial statements of HNVR Holdco Limited and its subsidiaries (collectively, the Group) for the year ended 30 September 2019 were authorised for issue in accordance with a resolution of the Directors on 30 January 2020.

HNVR Holdco Limited (the Company) was incorporated on 8 June 2016 as a private limited company in England and Wales for an indefinite period. The address of its registered office is 16 St. Martin's le Grand, London, United Kingdom, EC1A 4EN.

The principal activity of the Group is the purchase of hotel accommodation on behalf of travel services providers such as wholesalers, tour operators, travel agencies and airlines. Ancillary services comprising transfers, activities and car hire are also offered.

The consolidated financial statements of the Group cover the year between 1 October 2018 and 30 September 2019.

2. Significant accounting policies

A. Basis of preparation

The consolidated financial statements of the Group and the Company financial statements have been prepared in accordance with:

- International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) pronouncements as adopted for use in the European Union; and
- The Companies Act 2006 as applicable to companies reporting under IFRSs.

The Group and Company financial statements are prepared on a going concern basis under the historical cost convention, except for derivative financial instruments which are measured at fair value.

The consolidated financial statements are presented in Euros, the Group's presentation currency. The figures shown in the financial statements are rounded to the nearest million Euro unless otherwise stated.

Adoption of new accounting standards

As at 1 October 2018, the Group adopted IFRS 9 and IFRS 15. The accounting policy under these standards are described in Note 2.O and Note 2.F, respectively. However, the adoption of these two standards has not resulted in any material changes to either the consolidated income statement or consolidated balance sheet.

As at 1 October 2018, the Group early adopted IFRS 16, recognising right-of-use assets, lease liabilities and restoration provisions. Further details are given in Note 2.N.

In all other respects, accounting policies have been applied consistently to all accounting periods presented.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification. An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Recoverable amount of non-current assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

B. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2019.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and in particular when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these three elements of control.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are adjusted where appropriate to be consistent with the accounting policies used by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

A list of subsidiaries at 30 September 2019 is shown in Note 20.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of HNVR Holdco Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

C. Going Concern

At 30 September 2019, the Group had net assets of €715m and net current liabilities of €203m. The Directors have therefore considered the funding and liquidity position of the Group. The main sources of debt funding included €1,408m bank syndicated facilities which matures in 2023 for the term loan B (€1,008m) and 2025 for the term loan C (€400m) and other credit facilities and bank overdrafts for an amount of €3m. During the financial year, the profit before exceptional items was €104m, which included amortisation and depreciation expenses of €122m, and operating cash inflow was €71m.

The Directors have assessed the Group's cashflow forecasts and are satisfied that the Group has adequate resources to continue operations for the foreseeable future. At 30 September 2019 the Group continues to hold significant cash and liquid funds to mitigate the impact of potential business disruption events as well as an undrawn €247.5m revolving credit facility (see note 18) and undrawn committed credit facilities of €17m.

Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

D. Foreign currency translation (functional and presentation currency)

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

Average exchange rates are used to translate the results of all subsidiaries that have a functional currency other than Euro. The statements of financial position of such entities are translated at period end exchange rates. The resulting differences are recorded through a separate component of equity.

Transactions in currencies other than a Group entity's functional currency (foreign currencies) are recognised at the rate of exchange prevailing on the date of each transaction. At the end of each period, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the period end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period, except where they relate to a monetary item that forms part of the net investment in a foreign operation. In these cases, exchange gains and losses are recognised in other comprehensive income as a movement on the translation reserve and reclassified from equity to profit or loss on disposal of the net investment.

The average exchange rate used during the financial year and the exchange rate at 30 September 2019 of the Euro to the British Pound Sterling are £0.8838 and £0.8902 for €1, respectively.

E. Fair value measurement

Assets and liabilities designated at fair value such as derivatives are carried at fair value. The fair value of cash at bank and in hand approximates to book value due to its short-term maturity.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

F. Revenue

Revenue is measured as the amount of consideration we expect to be entitled to, in exchange for providing services to our customers and is recognised when performance obligations under the terms of contracts with our customers are satisfied. We use a five-step model for recognising revenue from contracts with customers: (1) identify contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the separate performance obligations in the contract; and (5) recognise revenue when (or as) each performance obligation is satisfied.

We account for contracts with our customers when both parties have approved the contract and are committed to perform their respective obligations, each party's rights regarding products or services to be transferred are identified, payment terms are identified, the contract has commercial substance and collection of the consideration is probable.

The activity of the Group is the provision of travel services for the travel industry. Hotelbeds operates an online intermediary platform that offers hotel rooms and ancillary services (comprising transfers, car rental and activities) to its customers.

As the Group's performance obligation is to arrange for the provision of the specified service by a third party, the Group generally acts as an agent. The Group does not control the services provided by the third party before it is transferred to the customer.

The Group recognises as revenue the amount to which it is entitled in exchange for arranging services to be provided by the other party. This is the net amount of consideration that the Group retains after paying the other party for the services provided. Revenue is generally recognised on the date the end user arrives at their hotel, since this is the date when the Group's performance obligations are fully met.

The Group provides retrospective volume rebates once the value of business transacted during a period exceeds the contractual thresholds specified in a customer's contract. To estimate this variable consideration for the expected future rebates, the Group applies the most likely amount method.

G. Exceptional items

To improve the understanding of the Group's financial performance, items which are not considered to reflect the underlying performance are presented as exceptional items in the consolidated income statements.

Items classified as exceptional are disclosed separately due to their size or incidence to enable a better understanding of performance. These include, but are not limited to, integration and restructuring costs and acquisition costs.

Exceptional items are considered individually and assessed at each reporting period.

H. Finance expense and income

Finance expense and income arising on interest bearing financial instruments carried at amortised cost are recognised in the consolidated income statement using the effective interest rate method. Finance expense includes the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price.

I. Corporate income tax

The corporate income tax expense or credit is the corporate income tax payable or receivable on the taxable profit or loss. This is based on the applicable income tax rate for each jurisdiction in which the Group has a taxable presence adjusted by changes in deferred tax assets and liabilities attributable to taxable temporary differences and to the carry forward of unused tax losses.

The corporate income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period that will apply when the temporary difference is expected to reverse.

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities in that jurisdiction.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

J. Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. In accordance with IFRS 3 Business Combinations, goodwill is not amortised but reviewed annually for impairment and as such, is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed. On acquisition, any goodwill acquired is allocated to cash generating units for the purpose of impairment testing. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

K. Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful life of 15 years.

L. Computer software and other intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business combination are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. The costs relating to internally generated intangible assets, principally computer software, are capitalised if the criteria for recognition as assets are met. Other expenditure is charged in the period in which the expenditure is incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives of up to 10 years.

An intangible asset is derecognised on disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the year of disposal.

Computer software in development is not amortised.

M. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements the remaining lease term, if shorter as follows:

| | |
|------------------------------------|--|
| Buildings – Right-of-use asset | Over expected lease term (up to 6 years) |
| Buildings – Leasehold improvements | Up to 15 years* |
| Other | 3-13 years |

*or remaining life of lease if less than 15 years

The carrying values of plant and equipment are reviewed for impairment annually as to whether there are events or changes in circumstances indicating that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An item of property, plant and equipment is derecognised upon disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the year of disposal.

N. Leases

Policy applicable before 1 October 2018

Leases that transfer to the Group substantially all the risks and rewards associated with ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the benefits and risks of ownership of the asset are classified as operating leases. Operating lease payments, other than contingent rentals, are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term.

Leases classified as operating leases under IAS 17

At transition to IFRS 16, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate, being the rate the group will have to pay to borrow the necessary funds to obtain an asset of similar value in a similar economic environment with similar terms and conditions, as at 1 October 2018. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as well as an amount to restore the underlying asset in case no provisions were previously recorded. The Group applied this approach to all leases.

Policy applicable from 1 October 2018

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 October 2018.

Accounting policy*Right-of-use asset*

The Group recognizes a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at costs, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments over the expected lease term that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "Interest-bearing loans and lease liabilities" in the consolidated balance sheet.

Impacts on financial statements

At transition to IFRS 16, the Group recognised an additional €28m of right-of-use assets and €24m of lease liabilities. The remaining €4m is included in provisions for liabilities and relates to contractual dilapidation liabilities.

When measuring lease liabilities, incremental borrowing rates are used, currently averaging 4.25%.

| | €m |
|--|-----------|
| Operating lease commitments at 30 September 2018 as disclosed in the Group's consolidated financial statements | 25 |
| Discount (using the incremental borrowing rate at 1 October 2018) | (1) |
| Lease liabilities recognised at 1 October 2018 | 24 |

O. Financial assets and financial liabilities

Financial assets

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently and with the exception of the derivatives, financial assets are measured at their amortised cost less impairment.

Trade receivables that do not contain a significant financing component are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses. The Group recognizes an allowance for expected lifetime credit losses applying a simplified approach that uses a provision matrix based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. The provision for expected credit losses is recognized in the consolidated income statement within cost of sales.

Financial liabilities

At initial recognition, the Group measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Subsequently, with the exception of the derivative financial instruments, financial liabilities are measured at their amortised cost.

Financial liabilities comprise Parent company loans, other interest-bearing loans and borrowings, trade and other payables, customer deposits and derivative financial instruments.

loans from Parent company and other interest-bearing loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing. After initial recognition, loans from Parent company and other interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial guarantee contracts are classified as financial liabilities and are measured at fair value by estimating the probability of the guarantees being called upon and the related cash outflows from the Group.

Derivatives and hedging activities

The Group uses derivatives to hedge foreign exchange risk and interest rate risk arising from operational and financing activities. In accordance with internal Group accounting principles, derivative financial instruments are not used for trading purposes. However, derivatives used for hedging purposes that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for

subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the consolidated income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Group has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- Substantially all the risks and rewards of ownership have been transferred; or
- Substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

P. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, short-term deposits with an original maturity of less than three months, net of bank overdrafts where the right of offset exists.

Q. Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense.

Retirement benefit liabilities

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

R. Long-term incentive plans

Certain employees are members of long-term incentive plans. Awards under the plans are settled in cash (cash-settled transactions).

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

S. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

T. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

U. Future accounting developments

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are:

- IFRS 17 "Insurance contracts";
- Amendment to IFRS 9, "Financial instruments", on prepayment features with negative compensation;
- Amendments to IAS 19, "Employee benefits" on plan amendment, curtailment or settlement;
- Amendments to IFRS 3, "Business Combinations", on definition of a business;
- Amendments to IAS 1, "Presentation of financial statements", and IAS 8, "Accounting policies, changes in accounting estimates and errors", on the definition of material;
- Amendment to IAS 28, "Long-term interest in associates and joint ventures";
- Annual improvements 2015-2017 cycle applicable for periods on or after 1 January 2019: IFRS 3 "Business combinations", IFRS 11 "Joint Agreements", IAS 12 "Income taxes" and IAS 23 "Borrowing costs";
- IFRIC 23 "Uncertainty over income tax treatments".

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

3. Critical accounting estimates and judgements

The preparation of financial information requires the use of assumptions, estimates and judgements about future conditions. Use of available information and application of judgements are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that the accounting policies where judgements are necessarily applied are those that relate to following accounts. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Further information about key assumptions concerning the future and other key sources of estimation uncertainty are set out below. None of the following critical accounting estimates are considered as significant estimates.

A. Business combinations

The Group applies judgement in determining whether a transaction is a business combination, which includes consideration as to whether the Group has acquired a business or a group of assets.

For business combinations, the Group estimates the fair value of the consideration transferred, which includes assumptions about the future business performance of the business acquired and an appropriate discount rate to determine the fair value of any contingent consideration. Judgement is also applied in determining whether any future payments should be classified as contingent consideration or as remuneration for future services.

The Group then estimates the fair value of assets acquired and liabilities assumed in the business combination, including any separately identifiable intangible assets. These estimates also require inputs and assumptions including future earnings, customer attrition rates and discount rates. The Group engages external experts to support the valuation process, where appropriate.

The fair value of contingent consideration recognised in business combinations is reassessed at each reporting date, using updated inputs and assumptions based on the latest financial forecasts for the relevant business. Judgement is applied as to whether changes should be applied at the acquisition date or as post-acquisition changes. Fair value movements and the unwinding of the discounting is recognised in the consolidated income statement.

B. Goodwill, other intangible assets and tangible assets

The Group determines whether goodwill and indefinite life intangible assets are impaired at least on an annual basis. This requires an estimation of the "value in use" of the cash generating units to which the goodwill and intangible assets are allocated. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from each cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The impairment of tangible assets, other intangible assets and non-financial assets are reviewed if there is any indication of impairment.

Expected useful lives are based on historical experience and thus subject to uncertainties, especially with regard to unforeseen technological developments.

C. Recognition of internally generated intangible assets from software development

Under IFRS, the costs relating to internally generated computer software intangible assets, are capitalised when the criteria for recognition as assets are met. These conditions include the technical feasibility, intention to complete, the ability to use the asset under development and the demonstrating how the asset is controlled by the Group and will generate probable future economic benefits.

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. The cost of a recognised internally generated intangible asset comprises all directly attributable costs necessary to make the asset capable of being used as intended. This capitalisation of costs of internally developed software requires an estimate of the cost per employee and the resources used to be capitalised.

D. Recoverability of receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses on trade receivables which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, as follows:

- Accounts in default – 100% provision against amount outstanding (after deducting amounts due to the customer and the insured amount);
- Accounts with lower credit ratings – general provision based on actual loss experience for each of the three years ended 30 September 2019;
- Disputed accounts more than 180 days overdue – 75% provision.

Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that impairment indicators exist. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The Group considers that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments.

Receivables for which an impairment loss was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses, and subsequent recoveries of impairment losses are recognised in the consolidated income statements.

Judgements have been made in respect of the volumes of future trading with hoteliers and the credit-worthiness of those hoteliers in order to assess the recoverable amounts of deposits and prepayments made to those hoteliers.

Judgement can often be based upon an understanding of the financial strength of those hoteliers and the quality of, and demand for, each hotel over the coming seasons.

E. Rebates payable to customers / Rebates receivable from suppliers

The recognition of rebate accruals require judgement based on contracts and past experience. Differences may arise between the amounts accrued and the actual amounts paid or received.

F. Revenue recognition

In recognising revenue, judgement is required in the consideration of whether Hotelbeds is doing business as a principal or agent and therefore revenues should be recognised on a gross or net basis.

Although the Group provides customer service and support, its performance obligation is to arrange for those goods or services to be provided by travel services suppliers, and not to provide the specified goods or services itself. Consequently, management has determined that in virtually all cases Hotelbeds is acting as an agent and therefore net presentation of revenue is appropriate.

G. Taxes

The Group operates in many tax jurisdictions and regimes and it is subject to the tax implications of operating in different tax environments. Actual tax assets and tax liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. Significant management judgement is required to determine the current and deferred tax assets and liabilities. Various internal and external factors may have favourable or unfavourable effects on income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation, and changes in tax rates. Furthermore, in order to determine whether tax losses may be carried forward may be carried as assets, it is necessary to critically assess the probability of future taxable profits against which to offset them. Such profits depend themselves on a variety of influencing factors and developments.

4. Acquisitions

Acquisition of Holiday Taxis Group

On 18 January 2019 the Group completed the acquisition of the Holiday Taxis group. The deal was legally structured via the acquisition of 100% of the top holding company of the Holiday Taxis group, Holiday Taxis Group Limited, and its subsidiaries. The legal entities within the Holiday Taxis group are set out in note 20.

Holiday Taxis is a leading provider of high quality, cost-effective transfer and wider mobility solutions. Its footprint is global and it operates 21,000 transfer routes, spanning 150 countries.

The acquisition will further complement the existing portfolio of content offered by Hotelbeds and reinforces the company's commitment to growth in the rapidly expanding ancillary distribution space.

Costs relating to the acquisition were €2m and have been expensed as incurred and treated as exceptional items.

Post-acquisition results of the acquired business for the year ended 30 September 2019 are included in the Group consolidated financial statements. Revenue of €18m and operating profit of €4m relate to the acquired business.

If the acquisition of Holiday Taxis had been completed on the first day of the financial year, revenue included for the year would have been €22m and operating profit included would have been €4m.

The estimated fair values of the identifiable assets and liabilities at the acquisition date are set out below:

| | €m |
|--|------------|
| Non-current assets | |
| Customer relationships | 25 |
| Computer software | 6 |
| | 31 |
| Current assets and liabilities | |
| Cash and cash equivalents | 5 |
| Other current assets and liabilities, net | (5) |
| | - |
| Non-current liabilities | |
| Deferred tax liabilities | (5) |
| | (5) |
| Total identifiable net assets at fair value | 26 |
| Goodwill arising on acquisition | 43 |
| Purchase consideration transferred | 69 |
| Consideration transferred | 69 |
| Cash acquired | (5) |
| Total consideration cash flow | 64 |

The purchase price was fully paid in cash.

The goodwill of €43m comprises primarily the estimated value of the assembled workforce.

Acquisition of GTA business

On 3 October 2017 the Group completed the acquisition of the GTA business of Kuoni Group. The deal was legally structured via the acquisition of 100% of the two holding companies of the GTA business group, GTA Travel Holding Ltd and Kuoni Holdings Limited, and their subsidiaries. The legal entities within the GTA business group are set out in note 20.

GTA is a B2B travel distributor with a proven track-record of providing hotels, transfers, and activities to the world's travel trade including intermediaries, online travel agencies and travel agency retailers. Its footprint is global and in particular it has a well-developed presence in the Asia-Pacific and Middle East markets.

Costs relating to the acquisition were €17m. An estimate of €19m was charged as an exceptional item in the period ended 30 September 2017. This was adjusted downwards by €2m in the year ended 30 September 2018.

Post-acquisition results of the acquired business for the year ended 30 September 2018 are included in the Group consolidated financial statements. Revenue of €253m and operating profit of €18m relate to the acquired business.

The fair values of the identifiable assets and liabilities at the acquisition date are set out below. These fair values are final as more than 12 months has now passed since GTA was acquired.

| | €m |
|--|-------------|
| Non-current assets | |
| Customer relationships | 262 |
| Computer software | 17 |
| Property, plant and equipment | 3 |
| Deferred tax assets | 1 |
| Trade receivables and other assets | 7 |
| | 290 |
| Current assets and liabilities | |
| Trade receivables and other assets | 293 |
| Cash and cash equivalents | 39 |
| Trade and other payables | (419) |
| Other current assets and liabilities, net | (6) |
| | (93) |
| Non-current liabilities | |
| Deferred tax liabilities | (43) |
| Provisions for liabilities | (6) |
| | (49) |
| Total identifiable net assets at fair value | 148 |
| Goodwill arising on acquisition | 419 |
| Purchase consideration transferred | 567 |
| Consideration transferred | 567 |
| Non-cash consideration | (248) |
| Cash acquired | (39) |
| Total consideration cash flow | 280 |

Non-cash consideration of €248m comprised the issue of ordinary shares of €25m, preference shares of €27m and loan notes of €196m.

The goodwill of €419m comprises primarily the estimated value of expected synergies that will arise from the acquisition.

5. Discontinued operations and assets classified as held for sale

Disposal of Destination Management business

On 27 March 2018 the Group agreed to sell its Destination Management business unit to TUI AG, subject to the customary regulatory and anti-trust approvals. Most of the entities in the business were sold during July and August 2018, but six remained as subsidiaries at 30 September 2018, and the Group has completed the sale during the year ended 30 September 2019. The profit on sale and net cash inflow were as follows:

| | | Year ended
30 September 2019 | Year ended
30 September 2018 |
|--|------|---------------------------------|---------------------------------|
| | Note | €m | €m |
| Cash received | | 28 | 96 |
| Consideration received or receivable | | 28 | 96 |
| Allocated goodwill | 12 | - | (26) |
| Carrying amount of net assets sold | | (27) | (47) |
| Total carrying amount of net assets sold | | (27) | (73) |
| Non-controlling interests transferred | | 3 | 9 |
| Disposal costs | | (1) | - |
| Reclassification of foreign currency translation reserve | | (1) | - |
| Profit on sale | | 2 | 32 |

| | €m | €m |
|--------------------------------------|-----------|-----------|
| Cash received | 28 | 96 |
| Cash transferred to purchaser | (17) | (48) |
| Disposal costs | (1) | - |
| Total consideration cash flow | 10 | 48 |

The income statement of the discontinued operation is:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--|---------------------------------------|---------------------------------------|
| Revenue | 9 | 502 |
| Cost of sales | (8) | (406) |
| Operating profit | 1 | 96 |
| Selling and administrative expenses | (4) | (86) |
| Depreciation and amortisation | - | (5) |
| Impairment on intangible and tangible assets | - | (2) |
| Impairment on financial assets | - | (5) |
| Total operating expenses | (4) | (98) |
| Share of profits of associates and joint ventures | - | 1 |
| Operating loss | (3) | (1) |
| Finance costs | - | (1) |
| Loss before taxation | (3) | (2) |
| Taxation | - | (3) |
| Loss after taxation | (3) | (5) |
| Profit on sale | 2 | 32 |
| (Loss) / profit for the financial year from discontinued operations | (1) | 27 |
| Attributable to: | | |
| Equity holders of the parent | (1) | 25 |
| Non-controlling interests | - | 2 |
| | (1) | 27 |

The net cash flows of the Destination Management business are, as follows:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--|---------------------------------------|---------------------------------------|
| Net cash outflow from operating activities | - | (12) |
| Net cash inflow from investing activities | - | 12 |
| Net cash inflow from financing activities | - | 17 |
| Net cash inflow | - | 17 |

Assets and liabilities classified as held for sale

The assets and liabilities related to Destination Management entities pending sale during the fiscal year 2018 have been presented as held for sale:

| | As at 30 September 2018
€m |
|--|-------------------------------|
| Intangible assets | 8 |
| Property, plant and equipment | 2 |
| Trade receivables and other assets | 14 |
| Other financial assets | 3 |
| Cash and cash equivalents | 17 |
| Total assets held for sale | 44 |
| Trade and other payables | 15 |
| Total liabilities held for sale | 15 |

6. Revenue

Revenue by destination on a geographical basis for the Group, is as follows:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--------------------------|---------------------------------------|---------------------------------------|
| Spain | 131 | 115 |
| UK | 30 | 30 |
| Other European countries | 298 | 266 |
| USA | 137 | 174 |
| Other American countries | 69 | 75 |
| Rest of the world | 154 | 186 |
| Total revenue | 819 | 846 |

During 2019, the Group reviewed the classification of items included in revenue and cost of sales on the Consolidated Income Statement and found the inclusion of customer overrides and irrecoverable VAT in cost of sales in prior periods to be inappropriate. As a result, a charge of €83m was reclassified from "Cost of sales" to "Revenue" in the comparative year in order to conform with the current year presentation of these items.

7. Employees

The monthly average numbers of equivalent full-time employees for the Group were:

| Number | Year ended
30 September 2019 | Year ended
30 September 2018 |
|--------------------------------|---------------------------------|---------------------------------|
| Operations | 1,170 | 1,109 |
| Sales and sourcing | 1,499 | 1,518 |
| General and administration | 2,149 | 2,488 |
| Continuing operations | 4,818 | 5,115 |
| Discontinued operations | 35 | 1,790 |

Employee costs (Included in selling and administrative expenses) for the Group were:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | | |
| - Wages and salaries | 204 | 214 |
| - Social security costs | 27 | 32 |
| - Other benefits | 5 | 7 |
| Continuing operations | 236 | 253 |
| Discontinued operations | 1 | 57 |

8. Auditors' remuneration

The Group incurred fees payable to PricewaterhouseCoopers for the audit of the HNVR Holdco Limited and the consolidated financial statements of €1.1m (2018: €1.1m) and for the audit of the financial statements of the Company's subsidiaries of €0.6m (2018: €0.5m). In addition, PricewaterhouseCoopers provided non-audit services amounting to €3.1m (2018: €2.7m) to the Group. The non-audit services mainly related to integration and merger and acquisition advice.

9. Exceptional items

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Integration and restructuring costs | (52) | (52) |
| Acquisition costs | (3) | 3 |
| Total exceptional items | (55) | (49) |

Exceptional items are material items of income or expense that are disclosed separately due to their nature or amount.

10. Bank loan interest and other finance costs

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|------------------------------------|---------------------------------------|---------------------------------------|
| Bank loan interest | 55 | 43 |
| Revolving credit facility interest | 5 | 4 |
| Interest on lease liabilities | 1 | - |
| Hedging cost | 4 | 10 |
| Other items | 7 | 6 |
| Total other finance costs | 72 | 63 |

Bank loan interest is calculated using the effective rate method and includes €8m (2018: €7m) amortisation of issue costs.

Additionally, the Group recognised in cost of sales foreign exchange losses of €4m (2018: foreign exchange losses of €6m).

11. Taxation

Analysis of (charge) / credit for the year:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|---|---------------------------------------|---------------------------------------|
| Current income tax: | | |
| - UK | (1) | - |
| - overseas | (18) | (7) |
| - prior year adjustments | (1) | - |
| Deferred tax | 8 | 33 |
| Total tax (charge) / credit in the consolidated income statement | (12) | 26 |

A reconciliation of corporate income tax (charge) / credit applicable to the loss before tax at the UK standard rate of UK corporation tax to the corporate income tax credit for the year ended 30 September is as follows:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--|---------------------------------------|---------------------------------------|
| (Loss) / profit on ordinary activities before taxation | (23) | 14 |
| Loss on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2018: 19%) | 4 | (3) |
| Effects of: | | |
| - Prior year adjustments | (1) | - |
| - Tax arising on group reorganisation | (27) | - |
| - Interest costs for which no tax deduction is available | (12) | (13) |
| - Tax losses utilised for which no deferred income tax asset was previously recognised | 22 | 4 |
| - Remeasurement of deferred tax – change in USA tax rate | - | 25 |
| - Other non-taxable net expenses | (5) | (2) |
| - Different tax rates of subsidiaries operating in other jurisdictions | 7 | 15 |
| Total tax (charge) / credit in the consolidated income statement | (12) | 26 |

On 22 December 2017, the U.S. government enacted the Tax Cuts and Jobs Act which reduced the U.S. federal tax rate from 35% to 21%, effective 1 January 2018. The Group recorded a net income tax benefit of €25m related to the re-measurement of the Group's U.S. deferred tax liabilities.

Deferred tax

The Group's deferred tax relates to the following:

| | Deferred tax
assets
€m | Deferred tax
liabilities
€m | Net tax liabilities
€m |
|--|------------------------------|-----------------------------------|---------------------------|
| At 1 October 2017 | 8 | (143) | (135) |
| Additions on business combinations (Note 4) | 1 | (43) | (42) |
| Recognised in consolidated income statement | - | 33 | 33 |
| Disposal of Destination Management business (Note 5) | (1) | 7 | 6 |
| Other | (4) | 4 | - |
| At 30 September 2018 | 4 | (142) | (138) |
| Additions on business combinations (Note 4) | - | (5) | (5) |
| Recognised in consolidated income statement | - | 8 | 8 |
| Other | 3 | (1) | 2 |
| At 30 September 2019 | 7 | (140) | (133) |

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred tax assets of €66m (2018: €101m) in respect of losses amounting to €278m (2018: €450m) that can be carried forward against future taxable income. €15m of these losses expire in 2024 and €5m in 2025. These assets have not been recognised because the directors are not certain of the timing of any benefits that might arise in the future.

Factors affecting the future tax charges

As an international group, Hotelbeds is subject to tax laws and regulations in all the countries in which we conduct business. Every effort is made to be compliant with all relevant tax laws and regulations. However, the group's subsidiaries are subject, periodically, to tax audits by the tax authorities in the countries where we operate. The tax authorities can take a different interpretation of tax laws and regulations to that adopted or used by the Hotelbeds subsidiary company. This can lead to disputes which may increase or decrease the group's overall tax liabilities.

In the United Kingdom, HM Revenue & Customs have opened enquiries into certain aspects of Donvand Limited's corporation tax computations in respect of the years ended 31 December 2015 and 2016, periods prior to the acquisition of GTA by Hotelbeds in October 2017. These enquiries are at an early stage and Hotelbeds is in discussions with HM Revenue & Customs to address the enquiries. Due to the early stage of the enquiries it is not possible to provide an estimate of any potential liability that may arise.

12. Goodwill and other intangible assets

| | Goodwill
€m | Customer
relationships
€m | Computer
software
€m | Total
€m |
|--|----------------|---------------------------------|----------------------------|--------------|
| Cost or valuation | | | | |
| At 1 October 2017 | 1,083 | 539 | 196 | 1,818 |
| Additions on business combinations (Note 4) | 419 | 262 | 17 | 698 |
| Disposal of Destination Management business (Note 5) | (26) | (32) | (4) | (62) |
| Transfers to assets held for sale (Note 5) | - | (2) | (6) | (8) |
| Additions | 1 | - | 42 | 43 |
| Exchange differences | 4 | 4 | 1 | 9 |
| At 30 September 2018 | 1,481 | 771 | 246 | 2,498 |
| Additions on business combinations (Note 4) | 43 | 25 | 6 | 74 |
| Additions | - | - | 53 | 53 |
| Disposals | - | - | (4) | (4) |
| Exchange differences | 16 | 14 | 3 | 33 |
| At 30 September 2019 | 1,540 | 810 | 304 | 2,654 |
| Accumulated amortisation and impairment | | | | |
| At 1 October 2017 | - | (27) | (29) | (56) |
| Amortisation charge for the year | - | (53) | (38) | (91) |
| Disposal of Destination Management business (Note 5) | - | 4 | 2 | 6 |
| Exchange differences | - | - | (1) | (1) |
| At 30 September 2018 | - | (76) | (66) | (142) |
| Amortisation charge for the year | - | (53) | (48) | (101) |
| Disposals | - | - | 3 | 3 |
| Exchange differences | - | (2) | (3) | (5) |
| At 30 September 2019 | - | (131) | (114) | (245) |
| Net book value | | | | |
| At 30 September 2018 | 1,481 | 695 | 180 | 2,356 |
| At 30 September 2019 | 1,540 | 679 | 190 | 2,409 |

Goodwill impairment testing

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU) or group of units that are expected to benefit from that business combination. The Group has only one cash generated unit identified as "bedbank". The Group tests goodwill annually for impairment or more frequently if there are indications that the goodwill might be impaired.

The recoverable amount of the cash generating unit is determined from value in use calculation. Value in use has been determined as the present value of expected future cash flows associated with each cash generating unit. The cash flows used in this calculation are consistent with those monitored by management.

Expected future cash flows are based on financial plans approved by management, covering a period of four years from the balance sheet date. The extrapolated cash flows to perpetuity are based on an estimated growth rate of 2.1%, being an estimated average of long-term economic growth rates for the principal countries in which Hotelbeds operates. A pre-tax discount rate, derived from weighted average cost of capital ("WACC"), of 10.5% has been applied to discount cash flows to present value. Key assumptions in terms of gross margin and operating expenses are based on past performance and management's expectations of market development where the Group operates.

Since determination of both WACC and estimated growth rate in perpetuity are judgemental, management has performed sensitivity calculations that address how changes in these estimates might impact the results of the impairment test.

Management estimates discount rates using pre-tax rates reflecting current market assessments of the time value of money and the risks specific to the CGUs and considers that no reasonably possible change in the key assumptions on which the recoverable amounts are based would cause the carrying amount of goodwill to exceed its recoverable amount.

As a result of performing an impairment review, no impairment has been recognised in the year ended 30 September 2019 (2018: €nil).

No reasonably possible combination of changes to the key assumptions above would be expected to impact the net cash flows in a way that would result in the carrying value of the cash-generating unit exceeding its recoverable amount.

13. Property, plant and equipment

| | Buildings
€m | Other
€m | Total
€m |
|--|-----------------|-------------|-------------|
| Cost or valuation | | | |
| At 1 October 2017 | 4 | 24 | 28 |
| Additions on business combinations (Note 4) | - | 3 | 3 |
| Disposal of Destination Management business (Note 5) | - | (10) | (10) |
| Transfers to assets held for sale (Note 5) | - | (3) | (3) |
| Additions | - | 6 | 6 |
| At 30 September 2018 | 4 | 20 | 24 |
| Change in accounting policy – IFRS 16 | 25 | 3 | 28 |
| Additions – IFRS 16 | 9 | 1 | 10 |
| Additions | - | 3 | 3 |
| Disposals | - | (3) | (3) |
| Exchange differences | - | 1 | 1 |
| At 30 September 2019 | 38 | 25 | 63 |
| Accumulated depreciation and impairment | | | |
| At 1 October 2017 | 1 | (4) | (3) |
| Depreciation charge for the year | (1) | (8) | (9) |
| Impairment | - | (2) | (2) |
| Disposal of Destination Management business (Note 5) | - | 4 | 4 |
| Transfers to assets held for sale (Note 5) | - | 1 | 1 |
| At 30 September 2018 | - | (9) | (9) |
| Depreciation charge for the year | (14) | (7) | (21) |
| Disposals | - | 2 | 2 |
| At 30 September 2019 | (14) | (14) | (28) |
| Net book value | | | |
| At 30 September 2018 | 4 | 11 | 15 |
| At 30 September 2019 | 24 | 11 | 35 |

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property. The Group leases many assets including buildings, vehicles and IT equipment. Information about leases for which the Group is a lessee is presented below:

| | Buildings
€m | Other
€m | Total
€m |
|-------------------------------------|-----------------|-------------|-------------|
| Balance at 1 October 2018 | - | - | - |
| IFRS 16 transition restatement | 25 | 3 | 28 |
| Additions | 9 | 1 | 10 |
| Depreciation charge for the year | (13) | (1) | (14) |
| Balance at 30 September 2019 | 21 | 3 | 24 |

At 30 September 2019 and 2018, the Group had not entered into contractual commitments for the acquisition of any property, plant and equipment.

14. Trade receivables and other assets

| | As at 30 September 2019 | | As at 30 September 2018 | |
|---|-------------------------|------------|-------------------------|------------|
| | Non-current | Current | Non-current | Current |
| | €m | €m | €m | €m |
| Trade receivables, net of provisions | - | 464 | - | 512 |
| Other receivables and assets | 5 | 33 | 7 | 35 |
| Amount due from Parent company | - | 31 | - | 32 |
| VAT recoverable | - | 31 | - | 32 |
| Prepayments | 41 | 364 | 13 | 203 |
| Total trade receivables and other assets | 46 | 923 | 20 | 814 |

Trade receivables are non-interest bearing. Trade receivables are stated net of the expected lifetime credit loss, which is calculated taking into account items in dispute and the credit profile of customers. Accounts considered to be in default are fully provided against.

Prepayments mainly relate to advance payments to accommodation providers.

Amounts due from Parent company are interest free, unsecured and payable on demand.

At 30 September, the analysis of the gross carrying amount trade receivables that were past due is as follows:

| | Total
€m | Current
€m | Days past due | | |
|------|-------------|---------------|-----------------|------------------|-----------------|
| | | | < 30 days
€m | 30-90 days
€m | > 90 days
€m |
| 2019 | 496 | 403 | 42 | 19 | 32 |
| 2018 | 556 | 387 | 102 | 25 | 42 |

The expected credit loss allowance for trade receivables is equivalent to 6.5% (2018: 7.9%) of gross trade receivables and amounting to €32m at 30 September 2019 (2018: €44m).

15. Cash and cash equivalents

| | As at 30 September 2019
€m | As at 30 September 2018
€m |
|--|-------------------------------|-------------------------------|
| Cash at bank and in hand | 455 | 604 |
| Deposits at call | 42 | 17 |
| Total cash and cash equivalents | 497 | 621 |

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

As 30 September 2019, Hotelbeds also had an undrawn revolving credit facility of €247.5m.

16. Trade and other payables

| | As at 30 September 2019 | | As at 30 September 2018 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Non-current
€m | Current
€m | Non-current
€m | Current
€m |
| Trade payables | - | 1,390 | - | 1,269 |
| Other payables | - | 50 | - | 54 |
| Amounts owed to Parent company | - | - | - | 7 |
| Other taxes and social security | - | 32 | - | 36 |
| Deferred income | - | 28 | - | 3 |
| Total trade and other payables | - | 1,500 | - | 1,369 |

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- Other payables are non-interest bearing and have an average term of six months
- Other taxes and social security are non-interest bearing and have an average term of six months

For explanations on the Group's liquidity risk management processes, refer to Note 18.

During 2019, the Group reviewed the classification of the items included in trade and other payables and made some reclassifications. Comparative amounts in the consolidate balance sheet were reclassified for consistency. As a result, €133m (€106m in current liabilities and €27m in non-current liabilities) was reclassified from "Trade and other payables" to "Customer deposits".

17. Provisions for liabilities

| | Retirement benefit
and other provision
with employees
€m | Provision for
buildings
restoration
€m | Other
provision
€m | Total
€m |
|--|---|---|--------------------------|-------------|
| At 1 October 2017 | 2 | - | 21 | 23 |
| Additions on business combinations (Note 4) | 4 | - | 2 | 6 |
| Utilised | (1) | - | (14) | (15) |
| Additional provisions | 7 | - | - | 7 |
| Disposal of Destination Management business (Note 5) | (2) | - | (3) | (5) |
| At 30 September 2018 | 10 | - | 6 | 16 |
| Change in accounting policy – IFRS 16 | - | 4 | - | 4 |
| Additions – IFRS 16 | - | 1 | - | 1 |
| Utilised | - | - | (3) | (3) |
| Additional provisions | 4 | - | - | 4 |
| At 30 September 2019 | 14 | 5 | 3 | 22 |
| At 30 September 2018 | | | | |
| Non-current | 6 | - | 6 | 12 |
| Current | 4 | - | - | 4 |
| | 10 | - | 6 | 16 |
| At 30 September 2019 | | | | |
| Non-current | 14 | 5 | 2 | 21 |
| Current | - | - | 1 | 1 |
| | 14 | 5 | 3 | 22 |

Litigation provisions, included in “Other provision”, are related to outstanding labour and legal claims in the Group companies. A consistent methodology based upon historical claims patterns, average claims amounts, external legal advice and future expectations is used to determine those amounts.

Provision for buildings restoration corresponds to the provision related to estimated restoration costs on leased buildings following IFRS 16 adoption.

Retirement benefits

The liability for retirement benefits principally relates to the Hotelbeds Switzerland AG Pension Plan which provides retirement benefits based on a participant's accumulated account balance. The Plan also provides benefits on death, disability and termination. This Plan is financed through a fund that is legally separate from Hotelbeds Switzerland AG. The trustees of the fund consist of representatives appointed by the affiliated companies and representatives elected by the fund participants and are required by law to act in the interests of the fund and its beneficiaries. The trustees are responsible for the investment policy of the fund. The fund must comply with the compulsory insurance requirements as per the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Funds ("BVG"). The fund undertakes to respect at least the minimum requirements imposed by the BVG and its ordinances. If the Plan is underfunded according to Swiss Law, the trustees decide measures that will allow the coverage ratio to get back to 100% within an appropriate horizon of time (usually, a time horizon of five to seven years is considered appropriate).

Under the Plan, members are entitled to an annual pension on attainment of retirement age 65 for men and 64 for women, however early retirement is permitted from the age of 58. Both the employer and employees are required to make contributions to the Plan based on salary and attained age, and the total employer contributions must be at least equal to the total employee contributions. The scheme had 77 active members at 30 September 2019.

The Plan exposes Hotelbeds Switzerland AG to actuarial risks including investment risk, interest rate risk, longevity risk and salary increase risk.

Actuarial valuations carried out by Aon Schweiz AG used the projected unit credit service prorate method to determine liabilities and service cost at 30 September 2018 and 30 September 2019. The principal assumptions used to determine the retirement benefit liability in these financial statements were:

| | 2019 | 2018 |
|---|------------|------------|
| Discount rate | -0.05% | 0.9% |
| Expected rate of salary increase (including inflation) | 1.25% | 1.0% |
| Inflation | 1.0% | 1.0% |
| Average life expectancy at age 65 for current employees | | |
| - Male | 23.7 years | 23.6 years |
| - Female | 25.7 years | 25.6 years |

Movements in the fair value of assets and the present value of obligations during the year were as follows:

| | Assets
€m | Liabilities
€m | Net
€m |
|-----------------------------------|--------------|-------------------|------------|
| Value at acquisition | 6 | (9) | (3) |
| Current service cost | - | (1) | (1) |
| Employer contributions | 1 | - | 1 |
| Employee contributions | 1 | (1) | - |
| Other items | (1) | 1 | - |
| Value at 30 September 2018 | 7 | (10) | (3) |
| Current service cost | - | (1) | (1) |
| Employer contributions | 1 | - | 1 |
| Employee contributions | 1 | (1) | - |
| Other items | (3) | 2 | (1) |
| Value at 30 September 2019 | 6 | (10) | (4) |

Plan assets are composed as follows at 30 September:

| | 2019 | 2018 |
|--------------------|-------------|-------------|
| | % | % |
| Insurance policies | 100% | 100% |
| Total | 100% | 100% |

18. Financial assets and financial liabilities

Financial assets

The table below analyses the Group's financial assets into their relevant categories:

| | Debt instruments at
amortised cost
€m | Derivatives designated as
hedging instruments
€m | Total
€m |
|---|---|--|--------------|
| At 30 September 2019 | | | |
| Derivatives | - | 2 | 2 |
| Trade receivables and other assets ¹ (note 14) | 533 | - | 533 |
| Other financial assets | 4 | - | 4 |
| Cash and cash equivalents (note 15) | 497 | - | 497 |
| Total financial assets | 1,034 | 2 | 1,036 |
| Total current | 1,029 | 2 | 1,031 |
| Total non-current | 5 | - | 5 |
| At 30 September 2018 | | | |
| Derivatives | - | 5 | 5 |
| Trade receivables and other assets ¹ (note 14) | 586 | - | 586 |
| Other financial assets | 7 | - | 7 |
| Cash and cash equivalents (note 15) | 621 | - | 621 |
| Total financial assets | 1,214 | 5 | 1,219 |
| Total current | 1,207 | 5 | 1,212 |
| Total non-current | 7 | - | 7 |

¹ Excluding non-financial assets

The fair value of all the financial assets approximate to book value at amortised costs.

Financial liabilities

Financial liabilities: Interest-bearing bank loans and borrowings

| | Interest rate
% | Maturity | Total
€m |
|--|--------------------|-----------|--------------|
| At 30 September 2019 | | | |
| €34m lease liabilities | 4.25 | 2019-2025 | 21 |
| €1,008m bank loan (term loan B) | EURIBOR+4.25 | 2023 | 988 |
| €400m bank loan (term loan C) | EURIBOR+4.50 | 2025 | 403 |
| Credit facilities and bank overdrafts | 1 | On demand | 3 |
| Total interest-bearing loans and borrowings | | | 1,415 |
| Total current | | | 28 |
| Total non-current | | | 1,387 |
| At 30 September 2018 | | | |
| €1,008m bank loan (term loan B) | EURIBOR+3.25 | 2023 | 981 |
| Credit facilities and bank overdrafts | 1 | On demand | 2 |
| Total interest-bearing loans and borrowings | | | 983 |
| Total current | | | 11 |
| Total non-current | | | 972 |

€34m lease liabilities

The Group leases many assets including buildings, vehicles and IT equipment for which lease liabilities have been recognised.

€1,008m bank loan (term loan B)

On 11 July 2016 the Group signed a syndicated Senior Facilities Agreement. The rate of interest on each Loan is the aggregate of the applicable EURIBOR plus a margin. When EURIBOR is lower than zero, then the interest rate applicable is the margin due following latest signed loan amendment agreement. The interest is payable every six months. At 30 September 2019, interest payables balance amounts to €11m (2018: €9m).

On 1 April 2019, following the new credit facility (term loan C), the margin increased from 3.25% to 4.25% in relation to any term loan B facility.

€400m bank loan (term loan C)

On 1 April 2019 the Group signed a syndicated Senior Facilities Agreement consisting of a €400m loan facility. The rate of interest on each Loan is the aggregate of the applicable EURIBOR plus a margin of 4.50% in relation to any Facility Loan. When EURIBOR is lower than zero, then the interest rate applicable is the margin due following latest signed loan amendment agreement. The interest is payable every six months. At 30 September 2019, interest payables balance amounts to €6m.

Both term loan B and term loan C are subject to a covenant restriction over the ratio of consolidated net debt to underlying EBITDA. Failure to meet the covenant restriction results in all amounts outstanding, becoming immediately due and payable. There have been no breaches in covenants since the inception of the loans.

Both term loan B and term loan C are stated net of issue costs. These costs are being amortised over the life of the loans. At 30 September 2019, the term loan B outstanding balance of issue costs is €31m (2018: €36m) and term loan C outstanding balance of issue costs is €3m.

Other financial liabilities

The table below analyses the Group's other financial liabilities into their relevant categories:

| | Liabilities at amortised
cost
€m | Derivatives designated as
hedging instruments
€m | Total
€m |
|---|--|--|--------------|
| At 30 September 2019 | | | |
| Derivatives | - | 4 | 4 |
| Trade and other payables ¹ (note 16) | 1,440 | - | 1,440 |
| Deposits received | 110 | - | 110 |
| Total other financial liabilities | 1,550 | 4 | 1,554 |
| Total current | 1,519 | 4 | 1,523 |
| Total non-current | 31 | - | 31 |
| At 30 September 2018 | | | |
| Derivatives | - | 6 | 6 |
| Trade and other payables ¹ (note 16) | 1,330 | - | 1,330 |
| Deposits received | 133 | - | 133 |
| Total other financial liabilities | 1,463 | 6 | 1,469 |
| Total current | 1,436 | 6 | 1,442 |
| Total non-current | 27 | - | 27 |

¹ Excluding non-financial liabilities

The fair value of all the financial liabilities approximate to book value at amortised costs.

Derivative financial instruments

The Group uses derivatives to hedge foreign exchange risk and interest rate risk.

At 30 September 2019, the fair value of current assets and current liabilities associated with hedging derivatives related to foreign currency is €2m and €4m respectively (2018: €5m and €6m, respectively). The notional amount of these derivatives at the year ended 30 September 2019 is €458m (2018: €441m).

At 30 September 2019, the fair value of current assets and current liabilities associated with hedging derivatives related to interest rate risk is € nil (2018: € nil).

The financial instruments for which fair value is disclosed in the three tables above, and derivative financial instruments, are classified as level 2 of the IFRS 13 "Fair Value Measurement" fair value hierarchy (Note 2.E).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. The liquidity position of the Group is significantly influenced by the booking and payment pattern of customers. As a result, liquidity is at its lowest in the winter months and at its highest in the summer months.

The Group manages liquidity risk through regular cash flow forecasting and monitoring of cash flows, management review and regular review of working capital and costs. The Group continues to hold significant cash and liquid funds to mitigate the impact of potential business disruption events as well as a €247.5m revolving credit facility and undrawn committed credit facilities of €17m. See also page 12 for the directors going concern assessment.

In respect of the Group's financial liabilities including estimated interest where applicable, the table below includes details (at the year-end) of the periods in which they mature:

| | Note | Book Value
€m | On demand or within 1 year
€m | 1-2 years
€m | 2-5 years
€m | > 5 years
€m | Total
€m |
|---------------------------------------|------|------------------|----------------------------------|-----------------|-----------------|-----------------|--------------|
| At 30 September 2019 | | | | | | | |
| Bank loan (term loan B) | | 988 | 44 | 44 | 1,096 | - | 1,184 |
| Bank loan (term loan C) | | 403 | 20 | 20 | 60 | 420 | 520 |
| Credit facilities and bank overdrafts | | 3 | 3 | - | - | - | 3 |
| Lease liabilities | | 21 | 9 | 6 | 7 | 1 | 23 |
| Trade and other payables ¹ | 16 | 1,440 | 1,440 | - | - | - | 1,440 |
| Deposits received | | 110 | 79 | 31 | - | - | 110 |
| Derivatives | | 4 | 4 | - | - | - | 4 |
| Total | | 2,969 | 1,599 | 101 | 1,163 | 421 | 3,284 |
| At 30 September 2018 | | | | | | | |
| Bank loan (term loan B) | | 972 | 33 | 33 | 1,107 | - | 1,173 |
| Bank loan interest payables | | 9 | 9 | - | - | - | 9 |
| Credit facilities and bank overdrafts | | 2 | 2 | - | - | - | 2 |
| Trade and other payables ¹ | 16 | 1,330 | 1,330 | - | - | - | 1,330 |
| Deposits received | | 133 | 106 | 27 | - | - | 133 |
| Derivatives | | 6 | 6 | - | - | - | 6 |
| Total | | 2,452 | 1,486 | 60 | 1,107 | - | 2,653 |

¹ Excluding non-financial liabilities

Financial risk management

The Group faces a range of financial risks comprising market risks (consisting of currency risks and interest rates risks), credit risk and liquidity risk.

The Group's principal financial instruments comprise bank loans, overdrafts, lease liabilities, loans from Parent company, financial guarantee contracts, and cash and short-term deposits, together with certain derivative financial instruments. The main purpose of these financial instruments is to raise finance for the Group's operations.

Interest rate risk

The Group is exposed to interest rate risk on interest bearing loans and borrowings and on cash and cash equivalents.

Interest rate risk management has the following key objectives:

- Profit protection – to protect the profit margin from material adverse movements in interest rates.
- Cash flow protection – to ensure that the Group's liquidity is not materially impacted by adverse movements in interest rates.

The Group's exposure to interest rates is managed so as to minimise the impact on profit over the short to medium term whilst providing flexibility over the longer term.

The Group Corporate Finance team has been given delegated responsibility by the Board to manage the Group's exposures to interest rate risk.

Permitted instruments when managing interest rate risk are limited to the following:

- Interest rate swaps
- Forward rate agreements
- Cross currency swaps

Interest rate sensitivity

The table below demonstrates the sensitivity to reasonably possible changes in interest rates on income to the carrying value of financial assets and liabilities.

| Effect on (loss) / profit before tax: | Year ended
30 September 2019 | Year ended
30 September 2018 |
|---------------------------------------|---------------------------------|---------------------------------|
| | €m | €m |
| 50 basis points increase | 6 | 5 |
| 100 basis points increase | 12 | 10 |

The sensitivity has been estimated by applying the basis points movement to the carrying value of the financial assets and liabilities, subject to interest at floating rates, held by the Group at the financial year end. Due to current low interest rates, any further decline would not have a material impact on income and equity for the financial year. As such, sensitivity to a decrease in interest rates has not been presented.

Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on transactions denominated in a currency other than the functional currency of the subsidiaries and on the translation of the balance sheet and income statements of foreign operations into Euros. The currencies giving rise to this risk are primarily Sterling and US Dollar.

In managing currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's cash inflows and outflows in a foreign currency. The Group uses forward exchange contracts to hedge its foreign currency risk, mainly US Dollar.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash balances (including bank deposits and cash and cash equivalents) and derivative financial instruments, as well as credit exposures to accounts receivable and prepayments made. Credit risk is managed separately for treasury and operating related credit exposures.

The Group is not subject to significant concentration of credit risk, with exposure spread across a large number of counterparties and customers.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Any changes to credit terms are assessed and authorised by senior management on an individual basis. In addition, the Group has credit insurance to cover possible risks.

With respect to credit risk arising from the other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Credit risk in respect of cash and cash equivalents is managed by restricting those transactions to banks that have a defined minimum credit rating and by setting an exposure ceiling per bank.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, support the growth of the business and maximising the return to the stakeholders through the optimisation of the debt and equity balance. The Group considers capital to comprise the following items:

| | As at 30 September 2019 | As at 30 September 2018 |
|---|-------------------------|-------------------------|
| | €m | €m |
| Interest-bearing bank loans and lease liabilities | 1,387 | 972 |
| Equity attributable to owners of parent company | 715 | 1,213 |
| Total | 2,102 | 2,185 |

The Group finances its operations through a combination of debt, lease liabilities, cash and cash equivalents, retained profits and equity.

Changes in liabilities arising from financing activities

| | Current other interest-bearing loans and lease liabilities
€m | Non-current interest-bearing loans and lease liabilities
€m | Total
€m |
|---------------------------------------|--|--|--------------|
| At 1 October 2017 | 19 | 651 | 670 |
| Cash flows | (17) | 314 | 297 |
| Bank loan issuance costs amortisation | - | 7 | 7 |
| Interest on bank loan | 9 | - | 9 |
| At 30 September 2018 | 11 | 972 | 983 |
| Cash flows | (21) | 394 | 373 |
| Bank loan issuance costs amortisation | - | 8 | 8 |
| Interest on bank loan | 17 | - | 17 |
| Lease liabilities | 21 | 13 | 34 |
| At 30 September 2019 | 28 | 1,387 | 1,415 |

19. Called up share capital and share premium account

| | As at 30 September 2019
€m | As at 30 September 2018
€m |
|---|-------------------------------|-------------------------------|
| Group and Company | | |
| Issued and fully paid: | | |
| 926,272,478 (2018: 924,797,934) Ordinary shares of €0.01 each | 9 | 9 |

HNVR Holdco Limited was incorporated on 8 June 2016 with an issued share capital of 100 Ordinary Shares of €0.01 each. During the financial period, 96,423,371 Ordinary Shares of €0.01 each were issued for a total consideration of €93m, €1m of share capital and €92m of share premium. Additionally, on 26 September 2017 the Company capitalised the loans from the immediate parent company HNVR Midco Limited (principal and accrued interest of €927m and €80m, respectively), for 704,018,667 Ordinary Shares of €0.01 each for a total consideration of €1,007m, €7m of share capital and €1,000m of share premium. The interest rate was 10% and accrued interest was capitalised and added to the outstanding principle amount. During the financial year ended 30 September 2018, 124,355,796 additional Ordinary Shares of €0.01 each were issued for a total consideration of €249m, €1m of share capital and €248m of share premium.

On 21 January 2019, 1,474,544 Ordinary Shares of €0.01 each were issued for a consideration of €6,930,630, €0.01m of share capital and €6.92m of share premium.

On 4 April 2019, the whole share premium account of €1,347m was cancelled.

During the financial year ended 30 September 2019, a dividend of €494m has been paid (2018: €nil).

The nominal value of these ordinary shares of €9m has been recognised in called up share capital. The Ordinary Shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The Company does not have an authorised share capital.

20. Related party disclosures

Parent company and ultimate owner

The immediate parent company is HNVR Midco Limited, a company incorporated on 18 January 2016 in England and Wales. The address of its registered office is 16 St. Martin's le Grand, London, United Kingdom, EC1A 4EN. The Group is ultimately owned by funds advised by Cinven Capital Management (V) General Partner Limited (Cinven) and Canada Pension Plan Investment Board (CPPIB).

All transactions with other entities controlled by Cinven or CPPIB are carried out on an arm's length basis. During the year ended 30 September 2019, fees of €0.3m were charged to the Group by Cinven and CPPIB (2018: €0.4m).

Key management personnel

The remuneration of key management personnel (who are collectively considered to have the authority to directly or indirectly plan and control the Group's operations) for the year was as follows:

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|------------------------------|---------------------------------------|---------------------------------------|
| Short-term employee benefits | 11.0 | 9.7 |
| Share-based payments | 1.0 | 1.1 |
| Total | 12.0 | 10.8 |

At 30 September 2019 certain key management personnel collectively held €8.2m loan notes (including accrued interest) (2018: €14m), of which €0.1m (2018: €8m) was issued during the year. Interest charged amounted to €1m (2018: €1m).

During the year ended 30 September 2018, Hotelbeds advanced loans totalling €2.6m to certain key management personnel. The average interest rate on these loans is was 2.1%. During the year ended 30 September 2019, all these loans were repaid.

Directors' emoluments

The company had four directors during the year ended 30 September 2019. The highest paid director received remuneration of €0.2m (2018: €0.2m). The directors are remunerated by Cinven, CPPIB and the Group. The total directors' remuneration paid by the Group was €0.4m (2018: €0.3m).

Consolidated subsidiaries

The consolidated financial statements include the financial statements of HNVR Holdco Limited and its subsidiaries. The subsidiary undertakings at 30 September 2019 were:

| Company | Registered address | Country | Capital share in % |
|---|---|--------------------------|--------------------|
| A2H Services Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Advantos Brasil Operadora de Turismo Ltda | Rua Barao de Tefle 1000 salas 161 e 162 Jundiai Sao Paulo 13208-761 | Brazil | 99.9% |
| Americas Corporate Business Services Inc. | Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801 | United States of America | 100% |
| Asiarooms Business Services (Thailand) Co. Ltd | UBC 11, Floor 16 #1606-7, 591 Sukhumvit Road Soi 33 North Klongton, Wattana, Bangkok, 10110 | Thailand | 99.99% |
| Audio Tours and Travel Hong Kong Limited | 2606, 26th Floor, Peninsula Tower, 538 Castle Peak Road, Kowloon | Hong Kong | 99.9% |
| Beds on line, S.L.U. | Complejo Mirall Balear – Torre A, 5ª. Planta, 3A – 4A Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Business Taxis Group Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Business Taxis Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Castlenau Ltd (in liquidation) | 25/28 North Wall Quay; Dublin 1 | Ireland | 100% |
| Castlenau Nominees Ltd (in liquidation) | 25/28 North Wall Quay; Dublin 1 | Ireland | 100% |
| Club Turavia SA de CV | Av. Tulum 286, SMA 8 MZA 2 LT 1, Cancún, Quintana Roo 77500 | Mexico | 99.96% |
| Club Turavia SA de CV - Colombia Branch | Calle 72 No. 10 - 07 Oficina 401, Bogotá D.C | Colombia | 100% |
| Conxxe Management and Consulting (Shanghai) Co. Ltd. (in liquidation) | Level 22, Tower III, Jing An Kerry Centre, 1228 Middle Yan An Road, Jing An district, Shanghai, 200040 | China | 100% |
| Donvand Limited (UK) | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Branch of Donvand Limited (Dubai) | Suite 116, IF oud Mehta Building, Bur Dubai, PO Box 28352, Dubai | United Arab Emirates | 100% |
| Branch of Donvand Limited (Geneva) | Cours de Rive 13, c/o Pestalozzi Avocats SA, 1204, Geneva | Switzerland | 100% |
| Branch of Donvand Limited (India) | H8 Twin Tower, 8th Floor, Above Max Hospital, Netaji Subhash Palace, New Delhi, 11034 | India | 100% |
| Branch of Donvand Limited (Israel) | 17 Kfar Saba Street, Neve Tzedek, 65147 Tel Aviv | Israel | 100% |
| Branch of Donvand Limited (Italy) | Viale Castro Pretorio 124; Roma, 00185 | Italy | 100% |
| Easy Market | Strada Statale Consolare 51/c. 47900. Rimini, | Italy | 100% |
| Expediciones Amazonicas S.A.C. | Av. La Marina 340 Iquitos, Maynas, Loreto | Peru | 99.999996% |
| Fundacion Junipero Serra | Calle Gremio Fusters, 33 Oficina 207, Poligono Son Castello, 07009, Palma de Mallorca | Spain | 20% |
| Global Obi S.L. | Calle Portopí nº. 8 – Edificio Reina Constanza bajos B – 07015 Palma de Mallorca | Spain | 100% |
| Branch of Global Obi, SL in Colombia | Carrera 38 no. 10 36 Ed. Torre Milenio, Medellín, Antioquia | Colombia | 100% |
| GTA (Beijing) Travel Consultant Guanzgzhou Branch | Unit 37, Room 08, Floor 10, HNA Building, No.8 Linhe Zhong road, Tianhe District, Guangzhou | China | 100% |
| GTA (Beijing) Travel Consulting Co. Ltd | Room 743, 7F, Garden Square Center, No. 968 West Beijing Rd, Jing'an District Shanghai | China | 100% |
| GTA (Middle East) FZ-LLC | Building 07, Floor 3, Unit 329, Dubai | United Arab Emirates | 100% |
| GTA (Retail) Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| GTA (Singapore) Pte | 101 Thomson Road; #16-01 ; United Square; 307591 | Singapore | 100% |
| GTA Americas LLC | c/o Corporation Service Company, 2711 Centerville Road, Wilmington 19808 | United States of America | 100% |
| GTA Australasia Pty Ltd | Level 1, 655 Pacific Highway; St Leonards; NSW2065; Sydney | Australia | 100% |
| GTA Australasia Pty Ltd - New Zealand Branch | Level 12, Brookfields House, 19 Victoria Street West, Auckland, 1010 | New Zealand | 100% |
| GTA Global (France) SAS | 52, rue de la Victoire, 75009, Paris | France | 100% |
| GTA Global España S.L. | C/Maria de Molina, 54, Planta Baja; 28006; Madrid | Spain | 100% |
| GTA Gullivers Travels Travel Associates GmbH | Lindengasse 38/3; 1070; Wien | Austria | 100% |
| GTA Holdco Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| GTA Italia S.r.L. | Viale Castro Pretorio 124; 00185; Roma | Italy | 100% |

| Company | Registered address | Country | Capital share in % |
|---|--|----------------------|--------------------|
| GTA Japan Co. Ltd | 5-9-11; Kitashinagawa Shinagawa-ku; Tokyo | Japan | 100% |
| GTA Reisen Holding AG | Elias Canetti-Strasse 2; 8050; Zurich | Switzerland | 100% |
| GTA Sourcing Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Office of GTA Sourcing Limited (Portugal) | Praça Duque de Saldanha, no. 1; Edifício Atrium Saldanha, Piso 7; 1050-094; Lisboa | Portugal | 100% |
| Branch of GTA Sourcing Limited (Argentina) | Suipacha 1111 - Floor 11, Buenos Aires | Argentina | 100% |
| Branch of GTA Sourcing Limited (Greece) | 28 Dimitrious Soutsou Street; Athens; 115 21 | Greece | 100% |
| Branch of GTA Sourcing Limited (Poland) | Cybernetyki 10; 02-677; Warsaw | Poland | 100% |
| GTA Taiwan Ltd | 12F, No. 237; Song Jiang Road, Taipei 104 | Taiwan | 100% |
| Gulliver Travel Associates (Beijing) Ltd | 2/F Tower C1; Oriental Plaza; No. 1 East ChangAn Avenue; Beijing; 100738 | China | 100% |
| Gullivers OCTGRP Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Gullivers Travel Associates (BRASIL) Turismo Ltda | Avenida Angelica 2530; Conjunto 52; Consolação; Sao Paulo; 01228-200 | Brazil | 99.9% |
| Gullivers Travel Associates (Hong Kong) Limited | Office E, 8/F; MG Tower, 133 Hoi Bun Road; Kwun Tong; Kowloon | Hong Kong | 99.9% |
| Gullivers Travel Associates (Investments) Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Gullivers Travel Associates (Thailand) Ltd | 50 Tonson Building, Suite 201-207; Soi Tonson, Ploenchit Road; Lumpini, Pathumwan; Bangkok; 10330 | Thailand | 100% |
| Gullivers Travel Associates Tour Travel Organizers Co Ltd | Abdar Centre, Office No. 303; Off Olaya Road; PO Box 8015; Riyadh; 11482 | Saudi Arabia | 95% |
| HBG Company Cancun, S.A. DE C.V., SA de CV | Av. Tulum 286, SMA 8 MZA 2 LT 1, Cancún, Quintana Roo 77500 | Mexico | 99.99% |
| HBG Holidays Singapore Pte | 101 Thomson Road, #16-01 United Square, Singapore, Singapore, 307591 | Singapore | 100% |
| Holiday Taxis Group Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Holiday Taxis Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Holiday Taxis Singapore Ltd | 600 NRT Bridge Road, #23-01, 188778 | Singapore | 100% |
| Hotelbeds Canada Inc. | PO Box 49290, 1000 -595 Burrard Street, Vancouver BC V7X1S8 | Canada | 100% |
| Hotelbeds (Shanghai) Commercial Services Co, Limited | Room 768, 7F, Garden Square Center, No. 968 West Beijing Rd, Shanghai, 200041 | China | 100% |
| Hotelbeds (Thailand) Limited | No. 511 Sri Ayuthaya Road, Thanon Phaya Thai Sub-District, Ratchathewi District, Bangkok 10400 | Thailand | 47.26% |
| Hotelbeds DMCC | Unit n° 2401-A, Reef Tower, Jumeirah Lakes Towers, Dubai, JLT-PH2-01A | United Arab Emirates | 100% |
| Hotelbeds Dominicana SA | Boulevard Turístico del Este. Edif. GYM 22, 2DA Planta, Pro. La Altagracia, Sector Punta Cana Municipio Higüey, Provincia de la Altagracia | Dominican Republic | 99% |
| Hotelbeds GBS (Switzerland) AG | Elias Canetti-Strasse 2; 8050; Zurich | Switzerland | 100% |
| Hotelbeds Group Italy SRL | Viale Castro Pretorio 124, 00185, Roma | Italy | 100% |
| Hotelbeds Group S.L.U. | Complejo Mirall Balear- Torre B, 5ª Planta, 1B, Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Hotelbeds HBGP. Lda | Rua de Gaza, 17-B-Loja, 2775 576, Lisboa, Carcavelos | Portugal | 99.96% |
| Hotelbeds Holding S.L.U. | Complejo Mirall Balear – Torre B, 5ª. Planta, 1B Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Hotelbeds Hong Kong Limited | Unit no. 29-32 10th floor, Star house, no. 3 Salisbury Road, Kowloon | Hong Kong | 100% |
| Hotelbeds India Private Limited | Suit no. 1120-21, 11th Floor, Tower A, DLF Towers, Jasola District Center, DELHI, South Delhi 110025 | India | 100% |
| Hotelbeds Japan KK | Tokyo Club Bldg 11F, 3-2-6 Kasumigaseki Chiyoda-ku, Tokyo, Japan, 100-0013 | Japan | 100% |
| Hotelbeds Product, SLU | Complejo Mirall Balear, 5ª. Pta, Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Hotelbeds Pte Ltd | 101 Thomson Road; #16-01 United Square; 307591 | Singapore | 100% |
| Branch of Hotelbeds Pte. Limited | 15th Floor, 1510, Jongro 5-gil 7, Jongro-gu, Seoul, Korea (Chungjin-dong, Tower 8) | Korea | 100% |
| Hotelbeds Services Greece Limited Liability Company | 2-4 Mesogeion Avenue, Ampelokipoi, 11527. | Greece | 99.96% |
| Hotelbeds Spain, SLU | Complejo Mirall Balear – Torre A, 5ª. Planta, 6A – 7A Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Hotelbeds Switzerland AG | Elias Canetti-Strasse 2; 8050; Zurich | Switzerland | 100% |

| Company | Registered address | Country | Capital share in % |
|---|--|--------------------------|--------------------|
| Hotelbeds Technology SLU | Complejo Mirall Balear – Torre B, 5ª. Planta, 6B-7B, Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Hotelbeds UK Ltd | 16 St. Martin's le Grand, London, EC1A 4EN. | United Kingdom | 100% |
| Hotelbeds US Holdco, Inc. | Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801 | United States of America | 99.99% |
| Hotelbeds USA | Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801 | United States of America | 100% |
| Hotelbeds, SLU | Complejo Mirall Balear – Torre A, 5ª. Planta, 1A – 2A, Camí de Son Fangos, 100 – 07007 Palma de Mallorca | Spain | 100% |
| Hotelopia Holidays S.L. | Complejo Mirall Balear, 5ª. Plta. Camí de Son Fangos, 100- 07007 Palma de Mallorca | Spain | 100% |
| Hotelopia SLU | Complejo Mirall Balear – Torre B, 5ª. Planta, 4B - Camí de Son Fangos, 100 - 07007 - Palma de Mallorca | Spain | 100% |
| Isango! India Limited | 604, 6th Floor, Tower-A, Signature Towers South City 1 Gurgaon HR 122001 | India | 99.9% |
| Isango! Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| JBS Group, Inc. | Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801 | United States of America | 100% |
| Joint Tours Salou 2004, AIE | Carrer Terrer, 2 Salou, 43840 | Spain | 14.28% |
| Kuoni GTA (España) SA | C/Maria de Molina, 54, Planta Baja; 28006; Madrid | Spain | 100% |
| Kuoni GTS Korea Ltd | (Cheongin-dong, Tower 8) ; Room 1518, 15F, 7; Jong-ro 5-gil; Jongno-gu, Seoul | Korea | 100% |
| Kuoni Holding Delaware | The Corporation Trust Company; Corporation Trust Center; 1209 Orange Street; Wilmington DE | United States of America | 100% |
| Kuoni Holdings Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Kuoni Travel Property DL Ltd | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Liberate S.L.U. | Complejo Mirall Balear, Camí de Son Fangos, nº 100, Torre A, 5ª planta, 07007 Palma de Mallorca | Spain | 100% |
| Martillo Limited (in liquidation) | 25/28 North Wall Quay; Dublin 1; Ireland | Ireland | 100% |
| Micronnexus GmbH | Humboldthaus, Am Sandtorkai 37, 20457 Hamburg | Germany | 100% |
| NAH Non trading (in liquidation) | 25/28 North Wall Quay; Dublin 1 | Ireland | 99.9% |
| Octopus Travel.com (Hong Kong) Ltd | Office E, 8/F.; MG Tower, 133 Hoi Bun Road; Kwun Tong; Kowloon | Hong Kong | 100% |
| Octopus Travel.com (Thailand) Ltd | 75/58 - 59 Ocean Tower 2 Building; 26th Floor, Soi Sukhumvit 19 (Wattana); Sukhumvit Road, Kwaeng Klongtoeynua, Khet Wattana, Bangkok Metropolis | Thailand | 100% |
| Octopustravel.com | 5 Penn Plaza; 5th Floor; New York NY 10001 | United States of America | 100% |
| Ponto Brasil Agencia de Turismo e Viagens Ltda. | Avda Brigadeiro Faria Lima, 1.811, 10º andar, conjunto 1014, Jardim Paulistano, Sao Paulo, Brasil, 01.452-001 | Brazil | 99.98% |
| PT GTA Travel Services Indonesia | WTC 5 Building Level 3A; Jl. Jenderal Sudirman Kav. 29-31; Jakarta Selatan | Indonesia | 67% |
| RBA Software Ltd (in liquidation) | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| T.G.S. Israel Development Ltd | 5 Shimshon St., 2nd & 4th Floor, Petach Tikva, 495270 | Israel | 100% |
| Tourico DS, Inc. | 220 East Central Parkway, Suite 4000; Altamonte Springs; Florida; 32701 | United States of America | 100% |
| Tourico Holidays (Thailand) Co., Ltd. | 8th Floor Maneeya Center, 518/5 Pleonchit Road Lumpini Pathumwan, Bangkok, 103330 | Thailand | 99.995% |
| Tourico Holidays Argentina S.R.L. | Carlos Pellegrini 1141 – 7th floor, Buenos Aires C1009ABW | Argentina | 90% |
| Tourico Holidays Australia Pty Limited | RSM Bird Cameron, Level 12, 60 Castlereagh Street, Sydney, NSW 2000 | Australia | 100% |
| Tourico Holidays Beijing Co., Ltd | Suite 915, Tower B, Full Link Plaza, No. 18 Chaowai Street, Chaoyang District Beijing 100020 | China | 100% |
| Branch of Tourico Holidays Beijing Co. Ltd Shanghai Branch | Room 755, 7F, Garden Square Center, No. 968 West Beijing Rd, Jing'an District Shanghai | China | 100% |
| Tourico Holidays Brazil Intermediacao de Servicos Turisticos Ltda | Alameda Santos 787 conjunto 21, Cerqueira Cesar Sao Paulo 01419-001 | Brazil | 100% |
| Tourico Holidays Denmark ApS | Holbergsgade 14, 2tv, 1057, Copenhagen | Denmark | 100% |
| Tourico Holidays Germany, GmbH | Leipziger Platz 15, 10117, Berlin | Germany | 100% |
| Tourico Holidays Holdings 2, LLC | Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801 | United States of America | 100% |
| Tourico Holidays Holdings Thailand, LLC | 2711 Centerville Road, Suite 400, Wilmington, , New Castle Country, DE 19808 | United States of America | 100% |
| Tourico Holidays Holdings, LLC | 220 East Central Parkway Suite 4010 Altamonte Springs, Florida 32701 | United States of America | 100% |

| Company | Registered address | Country | Capital share in % |
|---|--|--------------------------|--------------------|
| Tourico Holidays Hong Kong Limited | 29-32, 10/F, Star House, 3 Salisbury Road, Kowloon | Hong Kong | 100% |
| Tourico Holidays India Private Limited | The Executive Centre, DLF Cyber City, Gurgaon Level 18, Building no. 5, Tower A, DLF Cyber City Phase III, Gurgaon, Haryana 122002 | India | 99% |
| Tourico Holidays Italy, SRL | Viale Castro Pretorio 122 Roma 185 | Italy | 100% |
| Tourico Holidays Japan Godo Kaisha | "6F Clover Kamiyacho Building 5-12-8, Toranomon, Minato-ku, Tokyo, 1050001 | Japan | 100% |
| Tourico Holidays Japan K.K. | JR Shinjuku Miraina Tower 28F 4-1-6 Shinjuku, Shinjuku-ku, | Japan | 100% |
| Tourico Holidays Korea LLC | 6th Floor, 23 Yeoksamro 98-gil, Gangnam-gu, Seoul | Republic of Korea | 100% |
| Tourico Holidays Malaysia Sdn. Bhd. | Lot 6.05 Level 6, KPMG Tower 8 First Avenue Bandar Utama, Petaling Jaya, Selangor Drul Ehsan 47800 | Malaysia | 100% |
| Tourico Holidays Mexico, S R.L. C.V. | Av. Yaxchilan Lote 13, Manzana 2, Supermanzana 17, Cancun 77500 | Mexico | 99.67% |
| Tourico Holidays Moscow, LLC | Petrovka Street 27 107031 Moscow | Russia | 99.99% |
| Tourico Holidays Norway AS | Hieronymus Heyerdahlsgt. 1, Oslo 160 | Norway | 100% |
| Tourico Holidays Spain, S.L. | Complejo Mirall Balear, Camí de Son Fangos, nº 100, Torre A, 5ª planta, 07007 Palma de Mallorca | Spain | 100% |
| Tourico Holidays Sweden AB | Arsenalsgatan 6 PO Box 1050 SE-101 39 Stockholm | Sweden | 100% |
| Tourico Holidays Tourism LLC | Office 2307, The Prism Al Sa'ada Street Dubai | United Arab Emirates | 49% |
| Tourico Holidays U.K. Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Tourico Holidays, Inc. | 220 East Central Parkway Suite 4010 Altamonte Springs, Florida 32701 | United States of America | 100% |
| Travel Holdings DE, Inc. | Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801 | United States of America | 100% |
| Travel Holdings do Brasil, Ltda | Av. Brigadeiro Faria Lima 1461 12ª andar Torre Sul, Cj 124, Pinheiros, Sao Paulo, 01452002 | Brazil | 100% |
| Travel Holdings France S.A.S. | Centre Affaires Paris Victoire, 52 Rue De La Victoire, Paris 75009 | France | 100% |
| Travel Holdings Israel Ltd | 5 Shimshon St., 2nd & 4th Floor, Petach Tikva, 495270 | Israel | 100% |
| Travel Holdings Parent LLC | 220 East Central Parkway Suite 4010 Altamonte Springs, Florida 32701 | United States of America | 100% |
| Travel Holdings Spanish Co., SLU | Complejo Mirall Balear, Camí de Son Fangos, nº 100, Torre A, 5ª planta, 07007 Palma de Mallorca | Spain | 100% |
| Travel Holdings, Inc. | Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801 | United States of America | 100% |
| Travel Partner Brazil Agencia de Turismo e Viagens Ltda | Rua Barão de Teffé, 1.000 – Salas 161 e 162, parte B, CEP: 13.208-761, Jundiá – SP | Brazil | 99.98% |
| Travel Partner Turkey Turizm ve Seyahat Anonim Sirketi | Arapcami Mah. Bankalar Cad. Bozkurt Han No:3 D:3 Karaköy, Beyoğlu, İstanbul | Turkey | 100% |
| Travel Scot World Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Travelcube Pacific Pty Ltd | Level 1, 655 Pacific Highway, St Leonards; NSW2065; Sydney | Australia | 100% |
| Trina Group Limited | 16 St. Martin's le Grand, London, EC1A 4EN | United Kingdom | 100% |
| Turismo Asia Ltd | Office: No. 511 Turismo Asia Building, Soi Sri Ayuthaya 6, Sri Ayuthaya Road, Khwaeng Thanon Phaya Thai, Khet Ratchathewi, Bangkok 10400 | Thailand | 48.3% |

21. Contingent liabilities

Bank guarantees have been issued in the ordinary course of business amounting to €27m (2018: €31m).

The bank loans are secured by way of fixed and floating charges (as applicable pursuant to applicable law) over the share capital and certain other material assets of certain subsidiaries of the Company.

22. Subsequent events

There have been no significant events after the financial year end which affect or may affect the financial statements.

COMPANY BALANCE SHEET

| | | As at 30 September
2019 | As at 30 September
2018 |
|--|------|----------------------------|----------------------------|
| | Note | €m | €m |
| Non-current assets | | | |
| Investments | b | 1,325 | 1,186 |
| Loans to subsidiaries | c | 885 | 1,003 |
| | | 2,210 | 2,189 |
| Current assets | | | |
| Trade receivables and other assets | d | 26 | 45 |
| Cash and cash equivalents | | 3 | 29 |
| | | 29 | 74 |
| Total assets | | 2,239 | 2,263 |
| Current liabilities | | | |
| Trade and other payables | e | 31 | 17 |
| Income tax payable | | 1 | - |
| Bank loan | c | 17 | 9 |
| | | 49 | 26 |
| Non-current liabilities | | | |
| Bank loan | c | 1,374 | 972 |
| | | 1,374 | 972 |
| Total liabilities | | 1,423 | 998 |
| Net assets | | 816 | 1,265 |
| Equity | | | |
| Called up share capital | | 9 | 9 |
| Share premium account | | - | 1,340 |
| Retained earnings / (Accumulated losses) | | 807 | (84) |
| Total equity | | 816 | 1,265 |

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own income statement in these financial statements. The Company's profit after tax for the year was €38m (2018: profit after tax of €56m).

The notes on pages 68 to 69 are an integral part of these financial statements. The financial statements on pages 65 to 69 were approved by the Board of Directors on 30 January 2020 and signed on its behalf by



Simon Nicholson
Director

Company number: 10221476



Richard Wheatley
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

| | Called up
share capital
€m | Share premium
account
€m | (Accumulated losses)/
Retained earnings
€m | Total
Equity
€m |
|---|----------------------------------|--------------------------------|--|-----------------------|
| At 1 October 2017 | 8 | 1,092 | (140) | 960 |
| Profit for the financial year and total
comprehensive income | - | - | 56 | 56 |
| Issue of shares (Note 19) | 1 | 248 | - | 249 |
| At 30 September 2018 | 9 | 1,340 | (84) | 1,265 |
| Profit for the financial year and total
comprehensive income | - | - | 38 | 38 |
| Issue of shares (Note 19) | - | 7 | - | 7 |
| Cancellation of share premium account
(Note 19) | - | (1,347) | 1,347 | - |
| Dividends (Note 19) | - | - | (494) | (494) |
| At 30 September 2019 | 9 | - | 807 | 816 |

The disclosures required in respect of share capital and share premium are shown in note 19 to the consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

| | Year ended
30 September 2019
€m | Year ended
30 September 2018
€m |
|--|---------------------------------------|---------------------------------------|
| Profit before tax | 37 | 51 |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Net financial income | (40) | (31) |
| Change in working capital | | |
| Decrease / (increase) in trade and other receivables | 3 | (39) |
| Increase / (decrease) in trade and other payables | 14 | (29) |
| Other items of an operating activities | | |
| Interest paid | (43) | (39) |
| Interest received | 28 | 26 |
| Net cash outflow from operating activities | (1) | (61) |
| Cash flows from investing activities | | |
| Investment in subsidiary | - | (318) |
| Movements in subsidiary company loans | 68 | - |
| Net cash inflow / (outflow) from investing activities | 68 | (318) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 394 | 314 |
| Proceeds from issues of shares | 7 | - |
| Movement in loans with subsidiary undertakings | - | 74 |
| Dividends paid | (494) | - |
| Net cash (outflow) / inflow from financing activities | (93) | 388 |
| Net foreign exchange difference | - | - |
| Net (decrease) / increase in cash and cash equivalents | (26) | 9 |
|
Cash and cash equivalents at the beginning of the financial year |
29 |
20 |
| Cash and cash equivalents at end of year | 3 | 29 |

The notes on pages 68 to 69 are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

a. Significant accounting policies

The significant accounting policies applied in the preparation of these Company financial statements are the same as those set out in note 2 to the consolidated financial statements with the addition of the following:

Investments

Investments in subsidiaries are stated at cost, less any provision for impairment.

b. Investments

Investment in subsidiaries

During the financial year, the movements in the Company's investment in subsidiaries correspond to the capitalisation of a Subsidiary company loan as well as a Subsidiary company receivable for a total value of €139m. The full list of subsidiary undertakings are detailed in Note 20.

c. Related party disclosures

Parent company and ultimate owner

The immediate parent company is HNVR Midco Limited, a company incorporated on 18 January 2016 in England and Wales. The address of its registered office is 16 St. Martin's le Grand, London, United Kingdom, EC1A 4EN. The Company is ultimately owned by funds advised by Cinven Capital Management (V) General Partner Limited (Cinven) and Canada Pension Plan Investment Board (CPPIB).

For further details on Directors' emoluments, key management personnel and Parent company loans, please refer to note 20 of the consolidated financial statements.

Company loans to Subsidiary companies

During the period ended 30 September 2017, the Company has granted two USD Dollar loans to a Subsidiary company with a principal amount of \$215m and \$203m. The repayment date of the loan is the later of the date falling six months after the date on which all amounts under the Senior Facilities Agreement (See Note 18) have been repaid in full and all commitments thereunder have been cancelled, and September 2026. The interest rate is 7.6% and 7.2% respectively, and accrued interest shall be payable every 30 September.

On 3 October 2017, the Company signed a loan of €138m to a Subsidiary company with an interest rate of 10% and the repayment date is the later of the date falling six months after the date on which all amounts under the Senior Facilities Agreement (See Note 18) have been repaid in full and all commitments thereunder have been cancelled, and October 2027.

On 11 January 2019, the Company signed a loan of £33m and €6.9m to a Subsidiary company with an interest rate of 10% with the repayment date of 12 September 2026.

On 6 August 2019, the Company capitalised €122m of a loan held by a Subsidiary company.

Additionally, the Company has granted revolving credit facilities to Subsidiary companies. The total amount drawn by the Subsidiary companies is €380m at the period end (2018: €491m).

Bank loan

For further details on bank loan, please refer to note 18 of the consolidated financial statements.

d. Trade receivables and other assets

| | As at 30 September 2019 | | As at 30 September 2018 | |
|---|-------------------------|---------------|-------------------------|---------------|
| | Non-current
€m | Current
€m | Non-current
€m | Current
€m |
| Other receivables and assets | - | 2 | - | 2 |
| Amounts due from Parent company | - | 23 | - | 24 |
| Amounts due from Subsidiary companies | - | 1 | - | 19 |
| Total trade receivables and other assets | - | 26 | - | 45 |

Amounts due from Parent company and Subsidiary companies are interest free, unsecured and payable on demand.

e. Trade and other payables

| | As at 30 September 2019 | | As at 30 September 2018 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Non-current
€m | Current
€m | Non-current
€m | Current
€m |
| Other payables | - | 6 | - | 4 |
| Amounts owed to Parent company | - | 25 | - | 7 |
| Amounts owed to subsidiary companies | - | - | - | 6 |
| Total trade and other payables | - | 31 | - | 17 |

Amounts due to Parent company and Subsidiary companies are interest free, unsecured and payable on demand.